

REPUBLIC FIRST BANCORP INC
Form DEF 14A
March 24, 2015

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
SCHEDULE 14A INFORMATION
Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934

Filed by the Registrant
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Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
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- Soliciting Material Pursuant to §240.14a-12

Republic First Bancorp, Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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- No fee required.
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(3) Filing Party:

(4) Date Filed:

Two Liberty Place, 50 S. 16th Street, Suite 2400
Philadelphia, Pennsylvania 19102

March 24, 2015

Dear Shareholder:

You are cordially invited to attend the 2015 Annual Meeting of Shareholders of Republic First Bancorp, Inc., or the “Company,” to be held on April 28, 2015 at 5:00 PM, local time, at The Union League of Philadelphia, 140 South Broad Street, Philadelphia, PA 19102.

At the annual meeting, shareholders will be asked to consider and vote upon (i) the election of two Class II Directors to the Company’s board of directors to serve until the 2018 annual meeting of shareholders and until their successors are elected and qualified; (ii) advisory vote to approve named executive officer compensation; (iii) the ratification of the appointment of BDO USA, LLP as the Company’s independent registered public accounting firm for the fiscal year ending December 31, 2015; and (iv) any such other matters as may properly come before the meeting or any postponement or adjournment thereof.

It is very important that you be represented at the annual meeting regardless of the number of shares you own or whether you are able to attend the meeting in person. We urge you to mark, sign and date your proxy card today and return it in the envelope provided, even if you plan to attend the annual meeting. You may also vote by telephone or internet with the provided instructions. This will not prevent you from voting in person, but will ensure that your vote is counted if you are unable to attend.

Enclosed with your proxy materials is a copy of our 2014 Annual Report to Shareholders.

We look forward to seeing you at the meeting.

Very truly yours,

Harry D. Madonna
Chairman of the Board
and Chief Executive Officer

REPUBLIC FIRST BANCORP, INC.
Two Liberty Place, 50 S. 16th Street, Suite 2400
Philadelphia, Pennsylvania 19102

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD APRIL 28, 2015

NOTICE IS HEREBY GIVEN THAT the 2015 Annual Meeting of Shareholders of Republic First Bancorp, Inc. (the "Company") will be held on Tuesday, April 28, 2015 at 5:00 PM, local time, at The Union League of Philadelphia, 140 South Broad Street, Philadelphia, PA 19102 to consider and act upon:

- the election of two (2) Class II Directors to the Company's board of directors to serve until the 2018 annual meeting of shareholders and until their successors are elected and qualified;
- the advisory vote to approve named executive officer compensation;
- the ratification of the appointment of BDO USA, LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2015; and
- any such other matters as may properly come before the annual meeting or any postponement or adjournment thereof.

Only shareholders of record of the Company at the close of business on March 9, 2015, are entitled to notice of and to vote at the annual meeting and any adjournment or postponement thereof.

All shareholders are cordially invited to attend the annual meeting. Whether or not you plan to attend the annual meeting, please complete and sign the enclosed proxy card and return it promptly to the Company in the enclosed envelope, which requires no postage if mailed in the United States, or vote by telephone or internet.

If the annual meeting is adjourned because of the absence of a quorum, those shareholders entitled to vote who attend the adjourned annual meeting, although constituting less than a quorum as provided herein, shall nevertheless constitute a quorum for the purpose of electing directors. If the annual meeting is adjourned for one or more periods aggregating at least 15 days because of the absence of a quorum, those shareholders entitled to vote who attend the reconvened annual meeting, if less than a quorum as determined under applicable law, shall nevertheless constitute a quorum for the purpose of acting upon any other matter set forth in this Notice of annual meeting.

Important Notice Regarding Internet Availability of Proxy Materials for the Shareholders Meeting to be held on April 28, 2015

Our proxy statement, 2014 annual report to shareholders, and proxy card are available on the internet at <http://www.investorvote.com/FRBK>. If you would like to receive proxy materials related to this or any future shareholders meetings, or any of the Company's filings with the Securities and Exchange Commission or press releases, please email your request to llewis@myrepublicbank.com or call us at (215) 735-4422, ext. 5332.

By Order of the Board of Directors

Corporate Secretary

March 24, 2015

IT IS IMPORTANT THAT YOU VOTE PROMPTLY, REGARDLESS OF THE NUMBER OF SHARES YOU OWN. PLEASE COMPLETE, SIGN AND MAIL THE ENCLOSED PROXY CARD IN THE ACCOMPANYING ENVELOPE, OR VOTE BY TELEPHONE OR BY INTERNET, WHETHER OR NOT YOU PLAN TO ATTEND THE ANNUAL MEETING.

REPUBLIC FIRST BANCORP, INC.
Two Liberty Place, 50 S. 16th Street, Suite 2400
Philadelphia, Pennsylvania 19102

PROXY STATEMENT FOR ANNUAL MEETING
OF SHAREHOLDERS TO BE HELD ON APRIL 28, 2015

This proxy statement is being furnished to shareholders of Republic First Bancorp, Inc., referred to in this document as “we”, “our”, “us”, or the “Company”, in connection with the solicitation by the board of directors of the Company of proxies to be voted at the annual meeting of shareholders to be held at 5:00 PM, local time, at The Union League of Philadelphia, 140 South Broad Street, Philadelphia, PA 19102 on April 28, 2015, or such later date to which the annual meeting may be postponed or adjourned.

At the annual meeting, you will be asked to consider and vote upon the following matters:

- the election of two (2) Class II Directors to the Company’s board of directors to serve until the 2018 annual meeting of shareholders and until their successors are elected and qualified;
- the advisory vote to approve named executive officer compensation;
- the ratification of the appointment of BDO USA, LLP as the Company’s independent registered public accounting firm for the fiscal year ending December 31, 2015; and
- any such other matters as may properly come before the annual meeting or any postponement or adjournment thereof.

Information regarding the election of directors and other proposals is included in this proxy statement. Shareholders should carefully read this proxy statement.

The first date on which this proxy statement and the enclosed form of proxy are being sent to the shareholders of the Company is on or about March 31, 2015.

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INFORMATION ABOUT VOTING

How are proxies being solicited?

This proxy solicitation is being made by and at the direction of the board of directors of the Company, and the Company will pay all expenses relating to the solicitation. In addition to the use of the mails, proxies may be solicited personally, by telephone or by other electronic means by officers, directors and employees of the Company and the Bank, who will not be compensated for such solicitation activities. Arrangements may be made with brokerage houses and other custodians, nominees and fiduciaries for forwarding solicitation materials to the beneficial owners of shares held of record by such persons, and the Company will reimburse those persons for their reasonable expenses.

What is on the agenda for the annual meeting?

The agenda for the annual meeting includes the election of two Class II Directors to the Company's board of directors to serve until the 2018 annual meeting of shareholders and until their successors are elected and qualified, advisory vote to approve executive officer compensation, ratification of the appointment of BDO USA, LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2015, and such other matters as may properly come before the annual meeting or any postponement or adjournment thereof. We are not aware of any such other matters that may properly come before the annual meeting at the present time.

Who can vote?

Only shareholders of record, as shown on the transfer books of the Company at the close of business on March 9, 2015 (the "Record Date") will be entitled to notice of, and to vote at, the annual meeting or any postponement or adjournment thereof. Each share of common stock you own as of the record date entitles you to one vote for each director to be elected in the election of directors and one vote on each other matter to be presented at the annual meeting. As of March 9, 2015, there were 37,815,503 shares of common stock outstanding and entitled to vote.

How do I vote if shares are held directly in my name?

If you hold your shares in certificate form and not through a bank, brokerage firm or other nominee, you may vote your shares in one of the following ways:

- **Voting By Mail:** If you choose to vote by mail, complete the enclosed proxy, date and sign it, and return it in the postage-paid envelope provided.
- **Voting By Telephone:** If you choose to vote by telephone, call toll-free 1 (800) 652-VOTE (8683) and follow the instructions provided on the recorded message. Please note telephone votes must be cast prior to 11:59 PM, EDT, April 27, 2015.
- **Voting By Internet:** If you choose to vote by internet, log onto www.investorvote.com/FRBK and follow the instructions outlined on such secure website. Please note internet votes must be cast prior to 11:59 PM, EDT, April 27, 2015.
- **In Person:** If you choose to vote in person, come to the annual meeting and cast your vote. If you attend the annual meeting, you may vote your shares in person even if you have previously submitted a proxy.

If you vote electronically via the Internet or by telephone, you will need your shareholder control number (your shareholder control number can be found on the bottom right-hand corner of your proxy card).

If you hold your shares in street name or through a bank, brokerage firm or other nominee, see “How do I vote if shares are held in street name or through a bank, brokerage firm or other nominee?” for instruction on how to vote your shares.

How do I vote if shares are held in street name or through a bank, brokerage firm or other nominee?

If you hold your shares in street name or through a bank, brokerage firm or other nominee, you will need to vote your shares by providing voting instructions to your bank, brokerage firm or other nominee, in accordance with the voting instruction form provided to you by your bank, brokerage firm or other nominee, or by obtaining a legal proxy from your bank, brokerage firm or other nominee authorizing you to vote those shares at the annual meeting. Only with a legal proxy from your bank, brokerage firm or other nominee can you cast your vote in person at the annual meeting.

How will my proxy be voted?

If you submit a signed proxy card or submit your proxy by telephone or the internet but do not indicate how you want your shares voted, the persons named in the enclosed proxy will vote your shares of common stock:

- “FOR” the election of each of the board’s director nominees named in this proxy statement,
- “FOR” the advisory vote to approve named executive officer compensation; and
- “FOR” the ratification of the appointment of BDO USA, LLP as independent registered public accounting firm for the fiscal year ending December 31, 2015.

With respect to any other matter that properly comes before the annual meeting or any postponement or adjournment thereof, the persons named in the enclosed proxy will vote your shares of common stock in their discretion in accordance with their best judgment and in the manner they believe to be in the best interest of the Company.

If you hold your shares of the Company’s common stock in “street name” (that is, through a broker or other nominee) and fail to instruct your broker or nominee as to how to vote your shares of common stock (i) on the election of directors, or (ii) on the advisory vote to approve named executive officer compensation, your broker or nominee cannot vote your shares with respect to such proposals. If you hold your shares in “street name” and fail to instruct your broker or nominee as to how to vote your shares of common stock on the ratification of the appointment of BDO USA, LLP as independent registered public accounting firm for the fiscal year ending December 31, 2015, your broker or other nominee has discretionary voting authority to vote your shares on such proposal.

What is a broker non-vote?

A broker non-vote occurs when a bank or brokerage firm holding shares on behalf of a shareholder does not receive voting instructions from the shareholder by a specified date before the annual meeting and the bank or brokerage firm is not permitted to vote those undirected shares on specified matters under applicable stock exchange rules. Thus, if you do not give your broker specific instructions, your shares may not be voted on those matters (so-called “broker non-votes”). Broker non-votes are not considered to be votes cast and, therefore, generally have no effect on the outcome of elections of directors or other matters submitted to the shareholders and subject to approval based on votes cast.

Can I revoke my proxy or change my vote after submitting my proxy?

Proxies may be revoked at any time prior to being voted at the annual meeting. You may revoke a proxy before its exercise by filing written notice of revocation with our Secretary before the annual meeting. After voting, you may change your vote one or more times by completing and returning a new proxy to our Secretary, by voting again by internet or telephone as described in this proxy statement, or by voting in person at the annual meeting. You may request a new proxy card from our Secretary. The last vote received chronologically will supersede any prior votes. The deadline for registered shareholders to change their vote by internet or telephone is 11:59 PM, EDT, on April 27, 2015. All requests and correspondence with our Secretary should be mailed to Republic First Bancorp, Inc., Two Liberty Place, 50 S. 16th Street, Suite 2400, Philadelphia, Pennsylvania 19102, Attention: Kemma Brown, Secretary.

What constitutes a quorum at the annual meeting?

We need a quorum of shareholders to hold a valid annual meeting. A quorum will be present if at least a majority of the outstanding shares of common stock are represented in person or by proxy at the annual meeting. Abstentions and broker non-votes are counted as present for the purpose of establishing a quorum. If the annual meeting is adjourned because of the absence of a quorum, those shareholders entitled to vote who attend the adjourned annual meeting, although constituting less than a quorum as provided herein, shall nevertheless constitute a quorum for the purpose of electing directors. If the annual meeting is adjourned for one or more periods aggregating at least 15 days due to the absence of a quorum, shareholders who are entitled to vote and who attend the adjourned annual meeting, even though they do not constitute a quorum as described above at the adjourned meeting, will constitute a quorum for the purpose of acting on any matter described in the Notice of annual meeting.

How can I obtain directions to attend the annual meeting and vote in person?

The annual meeting will be held at The Union League of Philadelphia which is located at 140 South Broad Street, Philadelphia, PA, 19102. You may obtain directions to The Union League by contacting their office during regular business hours at (215) 563-6500 or by accessing The Union League's website at <http://www.unionleague.org> and clicking on the "Directions and Parking" link. The information on this website is not incorporated into this proxy statement and is an inactive textual reference only.

How many votes are required for the election of directors (Proposal 1)?

For Proposal 1, directors are elected by a plurality vote of shares of common stock cast in person or by proxy at the annual meeting, provided a quorum is present. A "plurality" means that the individuals who receive the largest number of affirmative votes cast are elected as directors up to the maximum number of directors to be chosen at the annual meeting. Because the election of directors is based on a plurality of the votes cast, abstentions and broker non-votes have no effect on the outcome of the vote. Votes that are withheld from a director nominee will be excluded entirely from the vote for such nominee and will have no effect on the result. Shareholders are not entitled to cumulative voting in the election of directors.

How many votes are required for the advisory vote to approve named executive officer compensation (Proposal 2)?

Proposal 2 will be approved if a majority of the votes represented in person or proxy at the annual meeting and entitled to vote are voted FOR the proposal. Abstentions, but not broker non-votes, will have the same legal effect as votes against the proposal.

How many votes are required for the ratification of the appointment of BDO USA, LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2015 (Proposal 3)?

Proposal 3 will be approved if a majority of the votes represented in person or proxy at the annual meeting and entitled to vote are voted FOR the proposal. Abstentions, but not broker non-votes, will have the same legal effect as votes against the proposal.

How many votes are required for any other proposals that may properly come before the annual meeting?

Generally, any other proposals that may properly come before the annual meeting or any postponement or adjournment thereof will be approved if a majority of the votes at the annual meeting and entitled to vote thereon are voted in favor of the action, unless otherwise provided by express provision of law or by our articles of incorporation or our bylaws. Abstentions, but not broker non-votes, will have the same legal effect as votes against any other proposal. Broker non-votes will not count as votes against any proposal at the annual meeting.

PROPOSAL 1

ELECTION OF DIRECTORS

The Company's by-laws provide that the board may consist of not less than five directors and not more than 25 directors, classified into three classes, as nearly equal in number as possible, with the specific number of directors fixed from time to time by resolution of the board. The members of one class of directors are elected at each annual meeting and each class of directors serves for approximately three years. The classes of directors have been designated as "Class I," "Class II" and "Class III."

The board has fixed the number of directors at six. Currently, the Class I Directors are Harry D. Madonna and Brian P. Tierney; the Class II Directors are Robert J. Coleman and Harris Wildstein, Esq.; and the Class III Directors are Barry L. Spevak and Theodore J. Flocco, Jr. The incumbent Class III Directors will continue in office until the Company's 2016 Annual Meeting of Shareholders and the incumbent Class I Directors will continue in office until the Company's 2017 Annual Meeting of Shareholders. All directors will hold office until the annual meeting of shareholders at which their terms expire and until the elections and qualifications of their successors.

Upon the recommendation of the nominating and governance committee of our board of directors, our board has nominated Robert J. Coleman and Harris Wildstein, Esq. for reelection as Class II Directors to serve until the Company's 2018 annual meeting of shareholders and thereafter until their successors are elected and qualified. All of the director nominees have agreed to stand for election. In the event, however, that, for any reason, one or more director nominees becomes unavailable for election or service as director, the board may designate a substitute nominee or nominees to replace him or them and the persons designated in the enclosed proxy will vote for the election of such other person or persons as the board may recommend.

The specific backgrounds and qualifications of our current directors and director nominees are reflected in each person's biography below.

Director Nominees

The following individuals have been nominated for election to the board as Class II Directors, to serve until the 2018 Annual Meeting of Shareholders and until their successors are elected and qualified.

Robert J. Coleman, age 78, has been a director of the Company and the Bank since April 2003. Prior to his retirement in December 2009, Mr. Coleman had been the chairman and chief executive officer of Marshall, Dennehey, Warner, Coleman & Goggin, a defense litigation law firm, since 1974. Mr. Coleman's background as an attorney offers the board valuable experience in legal matters (although he does not render the Company legal advice) and general business knowledge.

Harris Wildstein, Esq., age 69, has been a director of the Company and the Bank since 1988. Mr. Wildstein has also served as trustee of the First Bank of Delaware Liquidating Trust since November 2012. From 1999 through November 2012, Mr. Wildstein served as a director of First Bank of Delaware. Since September 2004, Mr. Wildstein has been an owner and officer of Lifeline Funding, LLC, a pre-settlement funding organization. He has been the Vice President of R&S Imports, Ltd., an automobile dealership, since 1977, and president of HVW, Inc., an automobile dealership, since 1982. Mr. Wildstein's background in owning and managing multiple businesses has made him sophisticated in the analysis of financial matters and offers the board insight into understanding the many customers that the Bank serves today. Mr. Wildstein also provides the board with valuable leadership and management perspectives and business acumen.

Continuing Directors

Each of the following individuals is an incumbent director who will continue to serve as a director of the Company until the end of his respective term or until a successor is elected and qualified.

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Class I Directors

Harry D. Madonna, age 72, has been chairman, president and chief executive officer of the Company since 1988. Mr. Madonna has also served as the chairman and chief executive officer of the Bank since 1988 and served as the Bank's president from 1998 until May 2010. Mr. Madonna has also served as trustee of the First Bank of Delaware Liquidating Trust since November 2012. From 1999 through November 2012, Mr. Madonna served as executive chairman of First Bank of Delaware and served as its chief executive officer from January 2002 until July 2008. Mr. Madonna was counsel to Spector Gadon & Rosen, PC, a general practice law firm located in Philadelphia, Pennsylvania from January 1, 2002 until June 30, 2005 and prior to that, was a partner of Blank Rome LLP, a law firm located in Philadelphia, Pennsylvania from 1980 until December 2001. Mr. Madonna's background as an attorney and years of experience with the Bank provides him with the skills to lead the board and the Company. Mr. Madonna's position within the Company and the Bank also provides him with intimate knowledge of our business, results of operations and financial condition. Further, as the chief executive officer and chairman, Mr. Madonna acts as the liaison between the directors and management, and assists the board in its oversight of the Company.

Brian P. Tierney, age 58, has been a director of the Company and the Bank since April 2011. He has also served as chief executive officer of Brian Communications, a strategic communications agency, and Real Time Media, an interactive marketing services agency since November 2010. He was publisher of the Philadelphia Inquirer and Daily News and chief executive officer of its parent company, Philadelphia Media Holdings LLC, from June 2006 and August 2006, respectively, until October 2010. In February 2009, Philadelphia Newspapers LLC, a subsidiary of Philadelphia Media Holdings LLC, filed voluntary petitions for reorganization relief pursuant to Chapter 11 of the United States Bankruptcy code and emerged from bankruptcy in October 2010. He previously served as chairman and chief executive officer of Tierney Holdings LLC, a private investment firm. From June 2004 to March 2005, he was vice chairman of Advanta Corp. Prior to that, he was the founding partner of T2 Group, a public relations firm, from November 2003 until it was sold to Advanta Corp. Mr. Tierney serves on a variety of civic, educational and charitable boards of directors, including the board of directors of Nutrisystem, Inc., a publicly traded corporation and leading provider of home-delivered weight-loss meal plans. Mr. Tierney has a strong corporate leadership background, having served as chief executive officer and having held additional management positions at several companies. His service as a member of another public company board and other boards of directors also provides insight on corporate governance issues.

Class III Directors

Theodore J. Flocco, Jr., C.P.A., age 70, has been a director of the Company and the Bank since 2008. Before his retirement from Ernst & Young LLP, Mr. Flocco was a general audit partner and advised many of the largest SEC regulated clients of the Philadelphia office for more than 35 years, including several regional and local banks. Mr. Flocco has experience in the banking, mutual fund, real estate and manufacturing and distribution industries. His responsibilities at Ernst & Young LLP included consulting with senior executives and directors of companies on accounting and strategic business issues, mergers and acquisitions, public offerings and SEC registrations. He has extensive experience in the public offering market through his involvement in more than 100 public equity and debt offerings. Mr. Flocco's experience in public accounting and SEC matters provides the board with depth in matters related to accounting, SEC financial reporting and shareholder communication and also qualifies him as a financial expert to serve on the board's audit committee.

Barry L. Spevak, age 54, has been a director of the Company and the Bank since April 2004. He has also been a partner with Downey, Spevak and Associates, Ltd., a certified public accounting firm, since 1991 and has previously served as the treasurer of the Recording for the Blind and Dyslexic. Mr. Spevak's experience as a certified public

accountant qualifies him as a financial expert and his financial accounting background provides the board with an understanding of financial statements, accounting and operational and financial controls. He also provides the Company with general business knowledge.

As noted above, Messrs. Madonna and Wildstein were members of First Bank of Delaware's board of directors from 1999 through November 2012. First Bank of Delaware was a public company until the dissolution of that entity on November 16, 2012. The remaining assets and liabilities of the First Bank of Delaware were transferred to a liquidating trust, referred to as the First Bank of Delaware Liquidating Trust. Messrs. Madonna and Wildstein became trustees of that trust. Mr. Tierney is a member of Nutrisystem, Inc.'s board of directors which is also a public company.

Recommendation

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE FOR THE ELECTION OF OUR NOMINEES TO THE BOARD OF DIRECTORS OF THE COMPANY TO SERVE UNTIL THE 2018 ANNUAL MEETING OF SHAREHOLDERS AND UNTIL THEIR SUCCESSORS ARE ELECTED AND QUALIFIED.

BOARD OF DIRECTORS AND COMMITTEES

Director Independence

The Company's common stock is listed on the NASDAQ Global Market and the Company's board of directors has determined the independence of the members of its board and committees under the NASDAQ listing standards. The Company's board of directors determined that under NASDAQ independence standards Messrs. Coleman, Flocco, Spevak, Tierney and Wildstein, constituting a majority of the members of the Company's board of directors, are independent, and that all of the members of the audit, nominating and governance and compensation committees are independent (as defined under the applicable SEC rules and the listing standards of NASDAQ). The Company's only director who was determined to not be independent was Mr. Madonna.

The board does not have a policy regarding the separation of the roles of chief executive officer and chairman of the board as the board believes it is in the best interests of the Company to make that determination based on the position and direction of the Company and the membership of the board. Accordingly, the board periodically reviews its leadership structure. Currently, the board believes that the Company's president and chief executive officer is best situated to serve as chairman of the board. We believe this board leadership structure is appropriate for our Company, in that the combined role of president and chairman of the board and chief executive officer promotes unified leadership and direction for our Company, allowing for a single, clear focus for management to execute the Company's strategy and business plan. The board believes that the Company's chief executive officer is best situated to serve as chairman of the board because he is the director most familiar with the Company's business and industry, and most capable of effectively identifying strategic priorities and leading the discussion and execution of our corporate strategy. Independent directors and management have different views and roles in the development of a strategic plan. The Company's independent directors bring experience, oversight and expertise from outside the Company and often the industry, while the chief executive officer brings Company-specific and industry-specific experience and expertise. The board believes that the combined role of chairman and president and chief executive officer promotes efficiency, strategy development and execution, and facilitates information flow between management and the board, which are essential to effective governance.

We have a relatively small board, a majority of which is independent under the listing standards for the Nasdaq Global Market. Each independent director has direct access to our chairman of the board, president and chief executive officer, as well as other members of the senior management team. We believe that having such direct access makes the separation of the principal executive officer and board chairman positions unnecessary. The independent directors also regularly meet in executive session without management present.

The board oversees the Company's risk management, satisfying itself that our risk management practices are consistent with our corporate strategy and are functioning appropriately. While a degree of risk is inherent in any business activity, the board strives to ensure that risk management is incorporated into the Company's culture, and to foster risk-aware and risk-adjusted decision-making throughout the organization. We believe our risk management processes are set up to bring to the board's attention our material risks, and permit the board to understand and evaluate how those risks interrelate and how management addresses them.

Our board performs its risk oversight function in several ways. The board establishes standards for risk management by approving policies that address and mitigate the Company's most material risks. These include policies addressing credit risk, interest rate risk, capital risk, and liquidity risk, as well as Bank Secrecy Act/Anti-Money Laundering compliance. The board also monitors, reviews, and reacts to our risks through various reports presented by management, internal and external auditors, and regulatory examiners. The board conducts certain risk oversight activities through its various committees which have direct oversight over specific functional areas. Our asset/liability

committee, or ALCO, is also comprised of directors and members of senior management, and has primary responsibility for risks associated with our exposure to fluctuations in interest rates and our liquidity needs. Our audit committee is responsible for risks associated with our financial reporting and internal controls, and our compensation committee is responsible for risks associated with our compensation practices. Notwithstanding that each committee is responsible for evaluating certain risks and overseeing the management of such risks, the entire board is regularly informed through committee reports about such risks.

Meetings of the Board and Attendance

During 2014, the directors held nine board meetings. All of the current directors attended at least 75% of the aggregate of (1) the total number of meetings of the board (held during the period for which such director was a member of the board) and (2) the total number of meetings of all committees of the board on which such director served (during the periods that such director served). We encourage all incumbent directors and nominees for election as directors to attend our annual meetings. All of our current directors attended the 2014 annual meeting of shareholders.

Board Committees

The Company's board of directors conducts much of its business through committees, including a standing audit committee, nominating and governance committee and compensation committee.

Audit Committee

The board of directors of the Company has designated a standing audit committee, currently consisting of Messrs. Flocco (chair), Spevak and Wildstein. All members of the audit committee are independent as defined under the applicable SEC rules and the listing standards of NASDAQ, including the independence criteria applicable to audit committee members. The board of directors has determined that both Mr. Flocco and Mr. Spevak qualify as audit committee financial experts, as defined in SEC rules and regulations.

The audit committee held twelve meetings during 2014, and it operates under a written charter approved by the board. A copy of the audit committee's charter is available on the Company's website at www.myrepublicbank.com. The responsibilities of the audit committee are to, among others:

- assist the board of directors with the oversight of the integrity of the Company's financial statements and internal controls, the Company's compliance with legal and regulatory requirements, the independent registered public accounting firm's qualifications and independence and the performance of the Company's internal audit function and the independent registered public accounting firm;
- establish procedures for receipt, retention, and handling complaints regarding accounting, internal accounting controls, and auditing matters, including procedures for confidential, anonymous submission of concerns by employees regarding accounting and auditing matters;
- retain, evaluate, and, where appropriate, replace the independent auditors, set the independent auditor's compensation, oversee the work of the independent auditor and pre-approve all audit services to be provided by the independent auditor;
- review with the independent auditor and members of management conducting the internal audit, the adequacy and effectiveness of the systems of internal controls, accounting practices, and disclosure controls and procedures of the Company and current accounting trends and developments, and take such action with respect thereto as may be deemed appropriate;
- make a recommendation to the board as to whether the audited financial statements should be included in the Company's Annual Report on Form 10-K;
- prepare the report required to be prepared by the audit committee pursuant to the rules of the Securities and Exchange Commission, or "SEC," for inclusion in the Company's annual proxy statement; and
 - review in advance the public release of all financial information.

Audit Committee Report

The audit committee of the Company's board of directors is responsible for providing independent, objective oversight of the Company's accounting functions and internal controls.

Management is responsible for the Company's internal controls and financial reporting process. The independent accountants are responsible for performing an independent audit of the Company's consolidated financial statements in accordance with generally accepted auditing standards and to issue a report thereon. The audit committee's responsibility is to monitor and oversee these processes.

In connection with these responsibilities, the audit committee has reviewed and discussed the audited consolidated financial statements of the Company at and for the year ended December 31, 2014, with management and the Company's independent accountants. As required by the standards of the Public Company Accounting Oversight Board ("PCAOB"), the audit committee discussed with BDO USA, LLP ("BDO"), the Company's independent registered public accounting firm, the matters required to be discussed by PCAOB Auditing Standard No. 16 "Communication with Audit Committees." The audit committee has received the written disclosures and the letter from BDO required by applicable requirements of the PCAOB regarding its communications with the audit committee concerning BDO's independence, and has discussed with BDO its independence.

Based upon the audit committee's review and discussions with management and the independent registered public accounting firm referred to above, the audit committee recommended to the board that the Company's audited consolidated financial statements be included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2014, for filing with the Securities and Exchange Commission.

Respectfully submitted,

Theodore J. Flocco, Jr. (Chair)
Barry L. Spevak
Harris Wildstein

Notwithstanding anything to the contrary set forth in any of the Company's previous filings under the Securities Act of 1933, as amended, or the Exchange Act of 1934, as amended, that might incorporate future filings, including this proxy statement, in whole or in part, the preceding Audit Committee Report shall not be incorporated by reference into any such filings nor shall they be deemed to be soliciting material or deemed to be filed with the SEC under the Securities Act of 1933, as amended, or the Exchange Act of 1934, as amended.

Compensation Committee

The board of directors of the Company has designated a standing compensation committee, currently consisting of Messrs. Spevak (chair), Coleman and Flocco.

The compensation committee operates under a written charter approved by the board. A copy of the compensation committee's charter is available on the Company's website at www.myrepublicbank.com. The charter provides, among other things, that the compensation committee be comprised of at least three members.

All members of the compensation committee have been determined by the board to be independent under NASDAQ listing standards, "non-employee directors," as defined in SEC Rule 16b-3, and "outside directors," as defined for purposes of Internal Revenue Code Section 162(m). The compensation committee held three meetings in 2014. The compensation committee's responsibilities include, among others, the following:

- review and approve the Company's overall compensation philosophy and oversee the administration of related compensation and benefit programs, policies and practices;
- set the compensation of the chief executive officer and other executive officers of the Company. Regarding compensation for officers other than the chief executive officer, the committee shall consult with the chief executive officer and the other officers of the Company as appropriate;
- evaluate the performance of the chief executive officer and review and approve the chief executive officer's evaluation of performance of the other executive officers in light of approved performance goals and objectives;
- review and recommend for approval to the board cash-based incentive compensation plans, equity-based compensation plans, defined benefit and contribution plans and other welfare benefit plans or amendments or modifications to such plans;
 - grant options and other awards under equity-based plans;
- review and discuss with management the Compensation Discussion and Analysis (CD&A) to be included in the Company's annual proxy statement, if required, and determine whether to recommend to the board that the CD&A be included in the proxy statement, if applicable;
- provide the compensation committee report for inclusion in the proxy statement, if required, that complies with the rules and regulations of the Securities and Exchange Commission; and
- have the authority to retain and terminate any consulting firm to advise the compensation committee, as it deems appropriate, including the authority to approve the consultant's fees and other retention terms.

Compensation Processes and Procedures

The compensation committee meets at such times as it determines to be necessary or appropriate, but not less than once a year. The compensation committee has the authority to establish the compensation of the chief executive officer and other executive officers of the Company and the Bank and may not delegate such authority, except to a sub-committee. The chief executive officer has the responsibility for proposing the amount and form of compensation of the other executive officers of the Company and the Bank and the compensation committee consults with the chief executive officer on such matters.

The compensation committee is also responsible for periodically reviewing the amount and form of director compensation paid to non-employee directors. The compensation committee recommends proposed changes in director compensation to the board as appropriate, from time to time, and any changes in director compensation are approved by the board.

Nominations and Shareholder Communications

Nominating and Governance Committee

The board of directors of the Company has designated a standing nominating and governance committee, currently consisting of Messrs. Coleman (chair), Spevak and Wildstein.

All members of the nominating and governance committee have been determined by the board to be independent under NASDAQ listing standards. The nominating and governance committee held one meeting in 2014. The nominating and governance committee operates under a written charter approved by the board. A copy of the nominating and governance committee's charter is available on the Company's website at www.myrepublicbank.com.

In addition to the responsibilities described below regarding overseeing the selection and recommendation of board nominees, the nominating and governance committee's responsibilities include, among other things, the following:

- make recommendations to the Board from time to time as to changes that the Committee believes to be desirable in the size of the Board or any committee thereof and the establishment of any new committees of the Board that the Committee believes to be necessary or desirable;
- conduct annually an evaluation of the performance of the board as a whole and the directors in such manner as the committee deems appropriate and, through its chairperson, communicate this evaluation to the full board; and
- maintain an orientation program for new directors and an education program for continuing directors.

The nominating and governance committee also oversees the composition and operation of the Company's board, including identifying individuals qualified to become board members, recommending to the board director nominees for the annual meetings of shareholders, and filling vacancies occurring between annual shareholder meetings. It identifies director candidates by considering the recommendations of the Company's directors, executive officers and shareholders, as well as those of experts and consultants of the Company. The nominating and governance committee evaluates candidates it has identified or who have been recommended to it based on the selection criteria provided in the nominating and governance committee charter and other criteria deemed relevant by the nominating and governance committee, including each candidate's background and experience, the candidate's ability to understand the business, financial affairs and complexities of the Company and the Company's business, the candidate's willingness and ability to spend the necessary time required to function effectively as a director, the candidate's open-minded approach to matters and the resolve to independently analyze matters presented for consideration, as well as the candidate's ability to act in the best interest of the Company's shareholders, and the candidate's reputation for honesty and integrity.

While the nominating and corporate governance committee does not have a formal policy regarding director diversity, it believes that the directors should encompass a range of experience, viewpoints, qualifications, attributes and skills in order to provide sound and prudent guidance to the Company's management. The nominating and corporate governance committee considers diversity in connection with its review of each potential director candidate and is satisfied that the current composition of the board of directors reflects its commitment to diversity. The nominating and corporate governance committee does not assign specific weights to particular criteria and no particular criterion is necessarily applicable to all prospective nominees.

The nominating and governance committee evaluates director candidates recommended by shareholders in the same manner that it evaluates other director candidates. The procedures for shareholders to recommend director candidates

are described under the heading “Shareholder Proposals and Nominations for the 2016 Annual Meeting”.

Shareholder Communications

Any shareholder may communicate with our board, or any individual member or members of the board, by directing his, her or its communication to Kemma Brown, Corporate Secretary, Republic First Bancorp, Inc., Two Liberty Place, 50 S. 16th Street, Suite 2400, Philadelphia, PA 19102, together with a request to forward the communication to the intended recipient or recipients. In general, all shareholder communications delivered to the corporate secretary for forwarding to the board or specified board members will be forwarded in accordance with the shareholder’s instructions. The corporate secretary, however, may not forward any abusive, threatening or otherwise inappropriate materials.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth, as of March 9, 2015, information with respect to the holdings of Company voting securities of all persons which the Company, pursuant to filings with the SEC and the Company's stock transfer records, has reason to believe may be beneficial owners of more than five percent (5%) of the Company's outstanding common stock, each current director or director nominee, each executive officer named in the 2014 Summary Compensation Table, and all of the Company's director nominees, directors and executive officers as a group.

Name of Beneficial Owner or Identity of Group (1)	Number of Shares Beneficially Owned (2)	Percentage of Ownership (2)
Director Nominees, Directors and Executive Officers:		
Harris Wildstein	956,203 (3)	2.5 %
Harry D. Madonna	739,884 (4)	2.0 %
Robert J. Coleman	643,668 (5)	1.7 %
Theodore J. Flocco, Jr.	84,573 (6)	*
Barry L. Spevak	51,999 (7)	*
Brian P. Tierney	62,913 (8)	*
Jay Neilon	84,000 (9)	*
Rhonda Costello	98,500 (10)	*
Andrew J. Logue	116,000 (11)	*
Frank A. Cavallaro	32,250 (12)	*
All, director nominees, directors and executive officers as a group (10 persons)	2,869,990	7.5 %
Other Five Percent Beneficial Shareholders:		
Vernon W. Hill II	3,796,035 (13)	9.9 %
Wellington Management Group LLP	3,739,000 (14)	9.9 %
30 RBK Investment, LLC	3,736,842 (15)	9.9 %
Schaller Equity Partners	3,427,068 (16)	9.1 %
The Evergreen Trust B	2,019,438 (17)	5.3 %

* Represents beneficial ownership of less than 1%.

(1) Unless otherwise indicated, the address of each beneficial owner is c/o Republic First Bancorp, Inc., Two Liberty Place, 50 S. 16th Street, Suite 2400, Philadelphia, PA 19102. The group of director nominees, directors and executive officers was determined as of March 9, 2015.

(2) The securities "beneficially owned" by an individual are determined in accordance with the definition of "beneficial ownership" set forth in Rule 13d-3 under the Securities Exchange Act of 1934, as amended. Any person who, directly or indirectly, through any contract, arrangement, understanding, relationship, or otherwise has or shares: voting power, which includes the power to vote, or to direct the voting of, common stock; and/or, investment power, which includes the power to dispose, or to direct the disposition of, common stock, is determined to be a beneficial owner of the common stock. All shares are subject to the named person's sole voting and investment power unless otherwise indicated. Shares beneficially owned include shares issuable upon exercise

of options which are currently exercisable or which will be exercisable within 60 days of March 9, 2015 and upon conversion of convertible securities which are currently convertible or which will be convertible within 60 days of March 9, 2015. Percentage calculations presume that the identified individual or group exercise and convert all of his or their respective options and convertible securities, and that no other holders of options or convertible securities exercise their options or convert their convertible securities. As of March 9, 2015, there were 37,815,503 shares of the Company's common stock outstanding.

- (3) Includes 32,000 shares of common stock issuable subject to options which are currently exercisable. Also includes 27,828 shares in trust for his daughter, 32,235 shares owned by his mother's estate of which he serves as executor, 21,092 shares owned by his son, and 14,032 shares held by his wife.
- (4) Includes 63,000 shares of common stock issuable subject to options which are currently exercisable. Does not include securities held by The Evergreen Trust B. Mr. Madonna does not have the power to vote on, invest in, or dispose of securities held by The Evergreen Trust B and accordingly does not beneficially own those shares. See note (17) below.
- (5) Includes 42,996 shares of common stock issuable subject to options which are currently exercisable.
- (6) Includes 29,000 shares of common stock issuable subject to options which are currently exercisable and 240 trust preferred securities of Republic First Bancorp Capital Trust IV which are currently convertible into 36,923 shares of common stock.
- (7) Includes 32,000 shares of common stock issuable subject to options which are currently exercisable.
- (8) Includes 20,000 shares of common stock issuable subject to options which are currently exercisable.
- (9) Includes 34,000 shares of common stock issuable subject to options which are currently exercisable.
- (10) Includes 71,000 shares of common stock issuable subject to options which are currently exercisable and 12,500 shares of common stock held by her husband.
- (11) Includes 91,000 shares of common stock issuable subject to options which are currently exercisable
- (12) Includes 18,500 shares of common stock issuable subject to options which are currently exercisable.
- (13) Information is derived partly from a Schedule 13D/A filed with the SEC on June 30, 2014. Mr. Hill owns a total of 6,000 trust preferred securities of Republic First Bancorp Capital Trust IV which are convertible into 923,077 shares of common stock. A restriction on conversion of these trust preferred securities prohibits conversion if the holder would beneficially own more than 9.9% of the common stock outstanding at the time of conversion. Accordingly, the calculation of the number of shares beneficially owned in the table above only includes 3,432 trust preferred securities of Republic First Bancorp Capital Trust IV held by Mr. Hill, which are currently convertible into 528,000 shares of common stock. Also includes 6,250 shares of common stock issuable subject to options. The address of Mr. Hill is 14000 Horizon Way, Suite 100, Mt. Laurel, NJ 08054.
- (14) Information is derived from a Schedule 13G/A filed with the SEC on February 12, 2015. The principal business office address is c/o Wellington Management Company, LLP, 280 Congress Street, Boston, MA 02210.
- (15) Includes S.A.C. Venture Investments, LLC and Steven A. Cohen. Information is derived from a Schedule 13G filed with the SEC on May 1, 2014. The principal business office address is 72 Cummings Point Road, Stamford, CT 06902.
- (16) Includes Schaller Investment Group Incorporated, Schaller Equity Management, Inc. and Douglas E. Schaller. Information is derived from a Schedule 13G/A filed with the SEC on January 29, 2015. The principal business office address is 324 Indera Mills Court, Winston-Salem, NC 27101.
- (17) The co-trustees of The Evergreen Trust B are Brooke C. Madonna, Harry Dillon Madonna, Brandy C. Madonna and Lucas Prewett. The co-trustees have voting and dispositive power over the shares held by the Evergreen Trust B. In addition, Harry Dillon Madonna beneficially owns 11,934 shares of common stock which are held directly and Brandy Madonna beneficially owns 8,795 shares of common stock which are held directly. Includes 1,557,900 shares of common stock held by The Evergreen Trust B directly and 461,538 shares of common stock issuable upon the conversion of 3,000 trust preferred securities of Republic First Bancorp Capital Trust IV, which are currently convertible. Mr. Harry D. Madonna does not have the power to vote on, invest in, or dispose of securities held by The Evergreen Trust B and accordingly does not beneficially own those shares. Information is derived from a Schedule 13G filed with the SEC on May 17, 2011. The address of The Evergreen Trust B is 1320 North Avignon Drive, Gladwyne, PA 19035.

EXECUTIVE OFFICERS AND COMPENSATION

Executive Officers

The following sets forth certain information regarding executive officers of the Company and the Bank. Information pertaining to Harry D. Madonna, who is both a director and an executive officer of the Company and the Bank, may be found in the section entitled "Proposal 1 - Election of Directors - Continuing Directors".

Frank A. Cavallaro, 46, has been an executive vice president and chief financial officer of the Company since February 2012. Mr. Cavallaro had been a senior vice president and chief financial officer of the Company since August 31, 2009. Prior to joining the Company, Mr. Cavallaro, served as a vice president in the finance department for Commerce Bank, N.A. and its successor TD Bank, N.A. from September 1997 to August 2009. Mr. Cavallaro, a certified public accountant, has eighteen years of experience in the financial services industry and, prior to that, three years experience in public accounting with Ernst & Young LLP.

Andrew J. Logue, 57, has been president and chief operating officer of the Bank since May 2010. Mr. Logue had been executive vice president and chief operating officer of the Bank since August 20, 2008. Prior to joining the Bank, Mr. Logue, served as senior vice president/enterprise risk management for Commerce Bank, N.A. and its successor TD Bank, N.A. from March 1991 to August 2008. Mr. Logue served in various functions during his tenure at Commerce Bank, N.A.

Rhonda Costello, 57, has been an executive vice president and chief retail officer of the Bank since August 5, 2008. Prior to joining the Bank, Ms. Costello, served as senior retail officer for Commerce Bank's Pennsylvania, Central New Jersey and New Jersey Shore Markets. She also held a wide range of management positions during her 23 year tenure with Commerce Bank, which began March 4, 1985, including regional vice president of the Burlington County, N.J. market, director of the Human Resources Department and dean of Commerce University.

Jay M. Neilon, 61, has been an executive vice president and chief credit officer of the Bank since February 2012. Mr. Neilon had been a senior vice president and chief credit officer of the Bank since December 31, 2008. Prior to joining the Bank, Mr. Neilon, served as senior credit officer for Commerce Bank, N.A. and its successor TD Bank, N.A. from July 1992 to December 2008. Prior to Commerce Bank, N.A., Mr. Neilon held various credit and lending positions with Fidelity Bank, Philadelphia, PA from September 1976 to July 1992.

Executive Compensation

Compensation Discussion and Analysis

Overview of the Executive Compensation Program. Our executive compensation program includes a number of fixed and variable compensation and benefit components typical of programs among comparable community banking and financial services companies in our local and regional marketplace. The program seeks to provide participating executives with an industry-competitive level of total compensation.

Our named executive officers receive from the Company a combination of base salary, health and welfare benefits, bonus compensation, long-term incentive compensation in the form of stock option awards, qualified and nonqualified deferred compensation and perquisites.

Compensation Philosophy and Program Objectives. We believe that the compensation program for executives should directly support the achievement of annual, longer-term and strategic goals of the business, and, thereby, align the interests of executives with the interests of our shareholders.

We believe the current program provides sufficient levels of fixed income, in the forms of base salary and health and welfare benefits, to attract high caliber executive talent to the organization. We believe it also provides competitive annual bonus and longer-term incentive opportunities to encourage performance and to reward the successful efforts of executives.

The incentive opportunities are based on an executive's role in our organization, company and individual performance, maintaining a compensation program that is competitive in our industry and markets, and other factors. Our current program contains certain compensation features, provided on a selective basis, to encourage retention through long-term wealth accumulation opportunities and to assure transition support in the event of substantial organization or ownership change. These provisions are designed to support retention of good performers by the organization.

We believe that the features and composition of the current program are consistent with practices of other comparable community banking and financial services organizations in our marketplace and that the program balances the need for competitive pay opportunities at the executive level with shareholders' expectations for reasonable return on their investment.

Program Management. The compensation committee of the board of directors has primary responsibility for the design and administration of the compensation of the chief executive officer of the Company and the Bank, and makes decisions with respect to the compensation program for other executive officers. The compensation committee will consider the make-up and administration of the executive compensation program in light of changing organization needs and operating conditions and changing trends in industry practice.

Role of Executive Management in the Compensation Decision Process. The compensation committee is responsible for approving compensation of our chief executive officer and other executive officers. In determining the compensation of the chief executive officer of the Company and the Bank, the compensation committee considers and evaluates his individual and corporate performance and data with respect to the compensation of the chief executive officers of the peer group identified below under the heading "Basis for Defining Competitive Compensation Levels and Practices." For the other executive officers of the Company and the Bank, the chief executive officer will make recommendations to the compensation committee with respect to the compensation of such executive officers. In formulating its decisions, the compensation committee may seek information about the performance of the business, organization staffing requirements and the performance levels of incumbent executives from our chief executive

officer. It may also utilize the services of our chief financial officer and other officers to the extent the compensation committee deems appropriate. None of our named executive officers had a role in recommending or setting his or her own compensation

Program Review and Compensation Decision Process. Annually, the compensation committee reviews information on executive compensation levels in the industry and industry program practices, reviews our compensation program, and considers adjustments to the program, salary adjustments and incentive awards. The compensation committee will examine the current compensation and benefit levels of executive officers in light of their continuing or changing roles in the business and the assessments of their individual performances by the compensation committee or the chief executive officer. It will also approve annual bonus compensation, after consideration of Company and individual performance, but which is ultimately discretionary.

The compensation committee may also be called upon to consider compensation related decisions throughout the calendar year as executives are reassigned or promoted and new executive officers join the organization. In these instances, the compensation committee will review all aspects of the executive officer's compensation including base salary level, annual incentive opportunities, longer-term incentive awards, participation in special benefit plans, and employment contract provisions, if applicable.

Compensation Decision Factors and Considerations. The following factors typically influence compensation committee decisions on salary and benefits for our executive officers:

- Salary: executive's overall performance during the year ending, changes in organization role and scope of responsibility, current salary in relation to the position's market value, any significant changes in the industry's pay practices for comparable positions.