

INDEPENDENT BANK CORP
Form DEF 14A
March 25, 2014

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 Filed by a Party other than the Registrant

Check the appropriate box:

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

INDEPENDENT BANK CORP.
(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
 - (1) Title of each class of securities to which transaction applies:
 - (2) Aggregate number of securities to which transaction applies:
 - (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
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- (1) Amount Previously Paid:
 - (2) Form, Schedule or Registration Statement No.:
 - (3) Filing Party:
 - (4) Date Filed:
-

April 2, 2014

Dear Fellow Shareholder:

I am pleased to invite you to our 2014 Annual Shareholders Meeting, which will be held at 10:00 a.m. on Thursday, May 15, 2014 at the Holiday Inn-Rockland-Boston South in Rockland, Massachusetts. The formal meeting notice and proxy statement on the following pages contain information about the meeting. We are sending a Notice of Availability of Proxy Materials and will provide access to our proxy materials over the internet beginning on or about April 2, 2014 for the holders of record and beneficial owners of our common stock as of the close of business on March 21, 2014, the record date for our annual meeting.

You can ensure that your shares are represented at the annual meeting by voting and submitting your proxy. Voting procedures are described in the proxy statement. Your vote is important, so I urge you to cast it promptly.

Three of our directors will retire this year upon reaching the age of 72, the mandatory retirement age established by our governance principles. Richard S. Anderson and Robert D. Sullivan will both retire in April, before our annual meeting, while Richard H. Sgarzi will retire later this year. Bob Sullivan has served as a Rockland Trust director since 1979. Richard Sgarzi joined the Rockland Trust Board in 1980. Dick Anderson became a Rockland Trust director in 1992, when Middleborough Trust was merged into Rockland Trust. Bob, Richard, and Dick have provided distinguished service to the Board and its committees for decades, a period of significant change in the banking industry during which Rockland Trust has grown and prospered. On behalf of our grateful shareholders, and the rest of our Board, I thank Bob, Richard, and Dick for their devoted service.

Cordially,

Christopher Oddleifson
President and Chief Executive Officer
Independent Bank Corp.
Rockland Trust Company

DIRECTIONS TO ANNUAL MEETING

DRIVING DIRECTIONS

From Boston and Points North:

• Take Route 93 South to Route 3 South

• Take Exit 14 (Rockland, Nantasket) off Route 3

- At the end of the exit ramp bear right onto Hingham Street (Route 228)

• The Holiday Inn-Rockland-Boston South is located approximately 0.4 miles on the left behind Bellas Restaurant.

From Cape Cod:

• Take Route 3 North to Exit 14 (Rockland, Nantasket)

- At the end of the exit ramp turn left onto Hingham Street (Route 228)

• The Holiday Inn-Rockland-Boston South is located approximately 0.7 miles on the left behind Bellas Restaurant.

NOTICE OF ANNUAL SHAREHOLDERS MEETING

The Annual Shareholders Meeting of Independent Bank Corp. will be held at the

HOLIDAY INN-ROCKLAND-BOSTON SOUTH

929 Hingham Street

Rockland, Massachusetts 02370

on May 15, 2014 at 10:00 a.m.

At the annual meeting Independent Bank Corp. will ask you to:

- (1) Reelect William P. Bissonnette, Daniel F. O'Brien, Christopher Oddleifson, and Brian S. Tedeschi as Class III Directors;
- (2) Ratify the appointment of Ernst & Young LLP as the Company's independent registered public accounting firm for 2014;
- (3) Approve the Second Amended and Restated 2005 Employee Stock Plan to extend the term of the soon to expire employee stock plan for ten years and make other amendments; we are not seeking approval for additional shares under the plan;
- (4) Approve, on an advisory basis, the compensation of our named executive officers; and
- (5) Transact any other business which may properly come before the annual meeting.

You may vote at the annual meeting if you were a shareholder of record at the close of business on March 21, 2014.

Important Notice Regarding Internet Availability of Proxy Materials for May 15, 2014 Shareholder Meeting: The Proxy Statement and our Annual Report to Shareholders for the year ended December 31, 2013 are available at www.envisionreports.com/INDB.

By Order of the Independent Bank Corp. Board of Directors

Rockland, Massachusetts Linda M. Campion

April 2, 2014 Clerk

YOUR VOTE IS IMPORTANT REGARDLESS OF HOW MANY SHARES YOU OWN! Please promptly vote your shares. Voting procedures are described in the proxy statement.

INDEPENDENT BANK CORP. PROXY STATEMENT
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2014 PROXY STATEMENT

THE ANNUAL MEETING AND VOTING PROCEDURES

This proxy statement contains information about the 2014 Annual Meeting of Shareholders of Independent Bank Corp. The meeting will be held on Thursday, May 15, 2014, beginning at 10:00 a.m. at the Holiday Inn-Rockland-Boston South, 929 Hingham Street, Rockland, Massachusetts. Independent Bank Corp. is, for ease of reference, sometimes referred to in this proxy statement as the "Company." Rockland Trust Company, our wholly-owned bank subsidiary, is for ease of reference referred to in this proxy statement as "Rockland Trust."

What is the purpose of the annual meeting?

At the annual meeting, shareholders will vote upon the matters that are summarized in the formal meeting notice. This proxy statement contains important information for you to consider when deciding how to vote. Please read it carefully.

Who can vote?

Shareholders of record at the close of business on March 21, 2014 are entitled to vote. Each share of common stock is entitled to one vote at the annual meeting. On March 21, 2014, 23,873,545 shares of our common stock were outstanding and eligible to vote.

How do I vote?

If you are a registered shareholder (that is, if you hold shares directly registered in your own name) you have four voting options:

Over the internet at the internet address shown on your proxy form;

By telephone, by calling the telephone number on your proxy form;

By mail, by completing, signing, dating, and returning your proxy form; or

- By attending the annual meeting and voting your shares in person.

If your shares are held in the name of a bank, broker, or other nominee, which is known as being held in "street name," you will receive separate voting instructions with your proxy materials. If you hold your shares in street name, your ability to vote by internet or by telephone depends on the voting process of the bank, broker, or other nominee that holds your shares. Although most banks, brokers, and nominees also offer internet and telephone voting, availability and specific procedures will depend on their voting arrangements. Please follow their directions carefully. If you want to vote shares that you hold in street name at the meeting, you must request a legal proxy from the bank, broker, or other nominee that holds your shares and present that proxy, along with proof of your identity, at the meeting.

Even if you plan to attend the meeting, you are encouraged to vote by proxy prior to the meeting.

Can I change my vote?

You may revoke your proxy and change your vote at any time before voting begins at the annual meeting.

Any shareholder giving a proxy has the power to revoke it at any time before it is exercised by (i) filing a written notice of revocation with our clerk at least one business day prior to the meeting, (ii) submitting a duly executed proxy bearing a later date which is received by our clerk at least one business day prior to the meeting, or (iii) by appearing at the meeting in person and giving our clerk proper written notice of his or her intention to vote in person.

If your shares are held in street name, you should contact your bank, broker, or other nominee to revoke your proxy or, if you have obtained a legal proxy from your bank, broker, or other nominee giving you the right to vote your shares at the meeting, you may change your vote by attending the meeting and voting in person.

Who is asking for my vote?

The Independent Bank Corp. Board of Directors (the "Board") is requesting your vote. We filed this proxy statement with the United States Securities and Exchange Commission ("SEC") on March 25, 2014 and the Board anticipates that it will be made available via the internet on April 2, 2014.

What are your voting recommendations?

The Board recommends that you vote as follows:

- (1) "FOR" the reelection of each of William P. Bissonnette, Daniel F. O'Brien, Christopher Oddleifson, and Brian S. Tedeschi to serve as Class III Directors.
- (2) "FOR" the proposal to ratify the appointment of Ernst & Young LLP as the Company's independent registered public accounting firm for 2014.
- (3) "FOR" the proposal to approve the Second Amended Restated 2005 Employee Stock Plan.
- (4) "FOR" the advisory vote on the compensation of our named executive officers.

Each proxy that the Board receives that is not timely revoked, in writing, will be voted in accordance with the instructions it contains. The Board will only use proxies received prior to or at the annual meeting and any adjournments or postponements thereof. Upon such other matters as may properly come before the meeting, the persons appointed as proxies will vote in accordance with their best judgment.

How many votes are needed?

Assuming a quorum is present, the vote required for approval of the matters to be considered is as follows:

A plurality of votes cast by shareholders present, in person or by proxy, at the annual meeting is required for the election of directors. "Plurality" means that the nominees receiving the largest number of votes cast are elected as directors up to the maximum number of directors who are nominated to be elected at the meeting. At our meeting the maximum number of Class III directors to be elected is four.

- A majority of votes cast by shareholders present, in person or by proxy, and voting is required to approve the ratification of the appointment of our independent registered accounting firm.

A majority of votes cast by shareholders present, in person or by proxy, and voting is required to approve the Second Amended and Restated 2005 Employee Stock Plan.

A majority of votes cast by shareholders present, in person or by proxy, and voting is required to approve the advisory proposal on the compensation of our named executive officers.

Abstentions and broker non-votes are disregarded for purposes of determining whether a proposal has been approved.

Banks, brokers, or other nominees may vote shares held for a customer in street name on matters that are considered to be “routine” even if they have not received instructions from their customer. A broker “non-vote” occurs when a bank, broker, or other nominee has not received voting instructions from a customer and cannot vote the customer's shares because the matter is not considered routine.

One of the proposals before the meeting this year is deemed a “routine” matter, namely the ratification of the appointment of Ernst & Young LLP as the Company's independent registered public accounting firm, which means that if your shares are held in street name your bank, broker, or other nominee can vote your shares on that proposal if you do not provide timely instructions for voting your shares. The election of directors, approval of the employee stock plan, and the advisory vote regarding executive compensation are not considered “routine” matters. As a result, if you do not instruct your bank, broker, or nominee how to vote with respect to those matters, your bank, broker, or nominee may not vote on those proposals and a broker “non-vote” will occur.

Who can attend the meeting?

Shareholders of record as of March 21, 2014 may attend the meeting, accompanied by one guest. Even if you plan to attend the annual meeting we encourage you to vote your shares by proxy. If you choose to attend, please bring proof of stock ownership and proof of your identity with you.

How many shareholders need to attend the meeting?

In order to conduct the meeting, a majority of shares entitled to vote as of the record date, or at least 11,936,773 shares, must be present in person or by proxy. This is called a quorum. If you return valid proxy instructions or vote in person at the meeting, you will be considered part of the quorum. Abstentions and broker non-votes are counted as being present for purposes of determining the presence of a quorum.

Where can I find the voting results from the meeting?

The voting results will be reported in a Form 8-K, which will be filed with the SEC within four business days after the end of the meeting.

Householding of annual meeting materials

Some banks, brokers, and other nominee record holders may be participating in the practice of “householding” proxy statements and annual reports. This means that if a household participates in the householding program, it will receive an envelope containing one set of proxy materials and a separate proxy card for each stockholder account in the household. Please vote all proxy cards enclosed in such a package. We will promptly deliver a separate copy of the proxy statement or proxy card to you if you contact us at the following address or telephone number: Clerk, Independent Bank Corp., 288 Union Street, Rockland, Massachusetts 02370; telephone: (781) 982-6243. If you want to receive separate copies of the proxy statement or annual report to stockholders in the future, or if you are receiving multiple copies and would like to receive only one copy per household, you should contact your bank, broker, or other nominee record holder, or you may contact us at the address or telephone number above.

Participation in householding will not affect or apply to any of your other stockholder mailings. Householding saves us money by reducing printing and postage costs, and is environmentally friendly. It also creates less paper for participating stockholders to manage. If you are a beneficial holder, you can request information about householding from your broker, bank or other nominee.

PROPOSALS TO BE VOTED UPON AT ANNUAL MEETING

Election of Directors (Proposal 1)

The Company's articles of organization provide that the Board shall be divided into three classes as nearly equal in number as possible, and that the members of each class are to be elected for a term of three years.

Directors continue to serve until their three-year term expires and until their successors are elected and qualified, unless they earlier reach the mandatory retirement age of 72, die, resign, or are removed from office. One class of directors is elected annually.

The Board or the Nominating and Corporate Governance Committee of the Board, which we sometimes refer to in this proxy statement as the nominating committee, selects director nominees to be presented for shareholder approval at the annual meeting, including the nomination of incumbent directors for reelection and the consideration of any director nominations submitted by shareholders. For information relating to the nomination of directors by our shareholders, see “Board of Directors Information - Shareholder Director Nominations” below.

All director candidates are evaluated in accordance with the criteria set forth in the Company's Governance Principles, which may be viewed by accessing the Investor Relations link on the Rockland Trust website (<http://www.rocklandtrust.com>)¹, with respect to director qualifications. While the Board and the nominating committee have no specific policy with regard to the consideration of diversity for director nominees, in evaluating the qualifications of potential new directors the Board has historically considered a set of recruitment criteria intended to, based upon the characteristics of the then current Board, take Board diversity with respect to personal attributes and characteristics, professional experience, skills, and other qualifications into account in the director selection process.

The Board or the nominating committee has nominated William P. Bissonnette, Daniel F. O'Brien, Christopher Oddleifson, and Brian S. Tedeschi, whom we refer to in this proxy statement as the "board nominees," for reelection at the annual meeting to the class of directors whose terms will expire at the 2017 annual meeting. In nominating each of the board nominees for reelection, the Board or the nominating committee determined that the board nominees possess the specific experience, qualifications, attributes, and skills described below under "Board of Directors Information" to serve as a director of the Company and Rockland Trust.

Unless instructions to the contrary are received, it is intended that the shares represented by proxies will be voted for the reelection of the board nominees. Each of the board nominees has consented to serve, and we have no reason to believe that any of the board nominees will be unable to serve. If, however, any of the board nominees should not be available for election at the time of the annual meeting, it is the intention of the persons named as proxies to vote the shares to which the proxy relates, unless authority to do so has been withheld or limited in the proxy, for the election of such other person or persons as may be designated by the Board or, in the absence of such designation, in such other manner as they may, in their discretion, determine.

The Board unanimously recommends that you vote FOR the reelection of each of the board nominees. Proxies solicited by the Board will be so voted in the absence of direction to the contrary.

Ratification of Appointment of Independent Registered Public Accounting Firm (Proposal 2)

The audit committee has appointed the firm Ernst & Young LLP (“E&Y”) to serve as the Company's independent registered public accounting firm for 2014. While we are not required to have shareholders ratify the selection of E&Y as our independent registered public accounting firm, the Board considers the selection of the independent registered public accounting firm to be an important matter and is therefore submitting the selection of E&Y for ratification by shareholders as a matter of good corporate practice.

The following table shows the fees paid or accrued by us for professional services provided by E&Y during 2013 and 2012:

	2013	2012
Audit Fees	\$722,300	\$686,689
Audit-Related Fees (1)	92,500	79,044
Tax-Related Fees	—	—
Other (2)	2,490	1,280
Totals	\$817,290	\$767,013

- (1) Audit-related fees are associated with the employee benefit plan and other subsidiary stand-alone audits.
- (2) Other fees are associated with a subscription to an online research tool.

¹ We have included references to the Rockland Trust website address at different points in this proxy statement as an inactive textual reference and do not intend it to be an active link to our website. Information contained on our website is not incorporated by reference into this proxy statement.

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The audit committee has considered the nature of the other services provided by E&Y and determined that they are compatible with the provision of independent audit services. The audit committee has discussed the other services with E&Y and management to determine that they are permitted under the rules and regulations concerning auditor independence promulgated by the SEC to implement the Sarbanes-Oxley Act of 2002.

The Board recommends that shareholders vote in favor of ratifying E&Y as our independent registered public accounting firm. If shareholders do not ratify selection of our independent registered public accounting firm, the audit committee will reconsider the appointment of E&Y at the appropriate time. We anticipate, however, that there would be no immediate change in our independent registered public accounting firm this year if shareholders do not ratify the selection of E&Y because of the practical difficulty and expense associated with making such a change mid-year. Even if shareholders ratify the selection of E&Y the audit committee may, in its discretion, change our independent registered public accounting firm at any time if it determines that it would be in the best interests of the Company to do so.

An E&Y representative is expected to be present at the annual meeting to respond to appropriate questions and will have the opportunity to make a statement if he or she desires to do so.

The Board unanimously recommends that you vote FOR the ratification of the appointment of E&Y as the Company's independent registered public accounting firm. Proxies solicited by the Board will be so voted in the absence of direction to the contrary.

Approval of Second Amended and Restated 2005 Employee Stock Plan (Proposal 3)

As explained in the "Compensation Discussion and Analysis" below, we have historically included long-term, equity-based compensation opportunities as one of the primary components of our compensation program for executive officers and other senior officers who are expected to contribute to our growth and success.

In 2005 the Board adopted and shareholders approved the Company's 2005 Employee Stock Plan. A total of 800,000 shares of our common stock were reserved for issuance under the 2005 Employee Stock Plan as incentive stock options (meeting the requirements of Section 422 of the Internal Revenue Code), non-statutory options (not intended to meet those requirements), and/or restricted stock awards to employees of the Company or its subsidiaries.

In 2011 the Board authorized and shareholders approved an Amended and Restated Employee Stock Plan (the "Employee Stock Plan") which increased the number of shares of common stock reserved for issuance under the plan from 800,000 to 1,650,000. The Employee Stock Plan was not otherwise amended at that time.

As of March 1, 2014 the Employee Stock Plan has 683,344 shares available for grant. The original ten-year term of the employee stock plan will expire early in 2015.

On February 13, 2014 the Board adopted, subject to shareholder approval, the Second Amended and Restated Employee Stock Plan, a copy of which is attached hereto as Annex A, to extend the Employee Stock Plan for another ten-year term scheduled to expire on February 13, 2024. In addition, stock appreciation rights and restricted stock units have been added as potential awards available for issuance under the Employee Stock Plan. Stock appreciation rights allow employees to receive shares of common stock of the Company in an amount equal to the dollar value of the appreciation in the Company's stock price over the exercise price. Each restricted stock unit represents the right to receive a share of the Company's common stock upon vesting. Other immaterial changes were made to the Employee Stock Plan and shares will remain available for grant thereunder. We are not seeking shareholder approval of any additional shares for issuance under the Employee Stock Plan.

The Board of Directors believes that the extension of the term of the Employee Stock Plan, and the addition of stock appreciation rights and restricted stock units as awards, is in the best interest of our shareholders. The Board believes that incentive compensation is a critical component of a competitive compensation package both for our executive officers and other senior officers. The Board believes that offering incentive compensation helps to align the interests of our executives, senior officers, and other employees with those of our shareholders. The extension of the Employee Stock Plan is essential to the Company's ability to retain and attract talented employees. Furthermore, the addition of stock appreciation rights and restricted stock units will allow the Company to grant awards to our employees which are in line with similar awards granted to employees of our competitors. The Board believes that these types of awards will further allow the Company to maintain a competitive compensation program.

Other than as set forth above, the content of the Second Amended and Restated Employee Stock Plan has not materially changed from the existing Employee Stock Plan, with the following features remaining in place to continue to protect the interests

of our shareholders:

• Administration by a committee of independent directors.

• A fixed number of shares available for grant that will not automatically increase because of an “evergreen” provision.

• A limitation, pursuant to Section 162(m) of the Internal Revenue Code, that no participant may receive awards of more than 75,000 shares in any fiscal year.

• A requirement that any stock option exercise price must be equal to at least 100% of fair market value on the date the stock option is granted.

• Shareholder approval is required for any material amendment of the Employee Stock Plan.

The following is a summary of the material terms of the proposed Second Amended and Restated Employee Stock Plan. The summary that follows does not purport to be complete and is qualified in its entirety by reference to the full text of the Second Amended and Restated Employee Stock Plan which is attached as Annex A and incorporated by reference into this proposal:

Purpose

The purpose of the Employee Stock Plan is to provide the Company and its shareholders the benefits arising from common stock ownership by employees of the Company and its subsidiaries who are expected to contribute to our future growth and success through the granting of stock options, stock appreciation rights, restricted stock awards, and restricted stock unit awards.

Administration of the Employee Stock Plan

The Employee Stock Plan is administered by a committee of two or more directors, each of whom is an “outside director” and “non-employee” director. Subject to the provisions of the Employee Stock Plan, the administrator of the Employee Stock Plan has authority in its discretion to: (1) determine the fair market value of our common stock, (2) select employees to whom awards may be granted, (3) determine the number of shares covered by awards, (4) approve forms of agreements to be used for awards, (5) determine the terms and conditions of awards, (6) prescribe, amend, or rescind rules and regulations relating to the Employee Stock Plan, and (7) construe and interpret the terms of the Employee Stock Plan and awards granted pursuant to it.

Shares Subject to the Plan

The Employee Stock Plan authorizes up to 1,650,000 shares of common stock. As of March 1, 2014 the Employee Stock Plan had 683,344 shares available for grant, which will be rolled over into the Second Amended and Restated Employee Stock Plan. We are not seeking shareholder approval for any additional shares for issuance under the Second Amended and Restated Employee Stock Plan. Awards issuable under the Second Amended and Restated Employee Stock Plan may be authorized and unissued or shares previously issued that we have reacquired. Any shares subject to grants under the Second Amended and Restated Employee Stock Plan that expire or are terminated, forfeited, or canceled without having been exercised or vested in full, shall be available for new grants.

Section 162(m) Limitations

Section 162(m) of the Internal Revenue Code generally disallows a tax deduction to public companies for compensation in excess of \$1 million paid to the chief executive officer or any of the three other most highly

compensated officers, other than our chief financial officer. Certain performance-based compensation is specifically exempt from the deduction limit if it otherwise meets the requirements of Section 162(m). One of the requirements for equity compensation plans is that there must be a limit to the number of shares granted to any one individual under the plan. Accordingly, the Employee Stock Plan provides that no participant may receive awards for more than 75,000 shares in any fiscal year. Shareholder approval of this proposal will constitute shareholder approval of this limitation for Section 162(m) purposes.

Eligibility

Any employee of the Company or its subsidiaries, including Rockland Trust, may be selected by the Board to receive awards. As of March, 2014, all Company employees were eligible to participate in the Employee Stock Plan.

Terms and Conditions of Awards

Types of Awards. Awards may be granted under the Second Amended and Restated Employee Stock Plan as incentive stock options, non-statutory options, stock appreciation rights, time vesting and performance vesting restricted stock and restricted stock unit awards, or a combination thereof. Subject to the overall maximum limits on awards listed in the Employee Stock Plan, there are no restrictions on the amount of awards that may be granted.

Exercise Price. The Employee Stock Plan administrator will determine the exercise price for shares issued upon exercise of stock options. The exercise price of stock options may not be less than 100% of the fair market value on the date the option is granted. The exercise price of incentive stock options granted to a 10% or greater shareholder may not be less than 110% of the fair market value on the date of grant.

Stock Appreciation Rights. A stock appreciation right allows the grantee to receive a payment, in the form of our common stock, equal to the fair market value of our common stock on the date of exercise over the exercise price of the stock appreciation right, multiplied by the number of stock appreciation rights being exercised. The Employee Stock Plan administrator will determine the exercise price for shares issued upon exercise of stock appreciation rights. The exercise price of stock appreciation rights may not be less than 100% of the fair market value on the date the stock appreciation right is granted. Upon the exercise of a stock appreciation right, any right to a partial share of common stock will be converted to and delivered in cash.

Form of Consideration Upon Exercise of Options. The means of payment for shares issued upon exercise of an option will be specified in each option agreement. The Employee Stock Plan permits payment to be made by cash, check, or, if permitted in the option agreement, by other shares of our common stock including by withholding of shares that would otherwise be issued upon exercise.

Term. The term of an option may be no more than ten years from the date of grant, except that the term of an incentive stock option granted to a 10% or greater shareholder may not exceed five years from the date of grant. The term of vesting of restricted stock awards may be no less than one year, for performance vesting awards, and no less than three years for time vesting awards.

Right of Repurchase. Restricted stock agreements or option agreements may contain provisions allowing us to repurchase the shares underlying the awards upon the termination of the participant's employment or upon the failure to satisfy any other conditions specified therein.

Restricted Stock and Restricted Stock Units. A restricted stock award consists of shares of our common stock which are subject to restrictions on transferability and other restrictions, if any, set forth in the award agreement. Restricted shares, unless otherwise provided in the award agreement, carry voting and dividend rights. Restricted stock units are a contractual right only and do not involve the issuance of common stock to the grantee. Shares of common stock are issued only if the terms and conditions set forth in the award agreement are satisfied. Restricted stock units do not carry voting rights, or, unless otherwise provided in the award agreement, dividend rights.

Other Provisions. The stock option agreement, stock appreciation right award agreement, restricted stock agreement, or restricted stock unit award agreement for each award may contain other terms, provisions, and conditions not inconsistent with the Employee Stock Plan, as may be determined by the Employee Stock Plan administrator.

Adjustments

The number of shares available under the Employee Stock Plan, the maximum limits on awards, and the number of shares subject to outstanding awards will be adjusted to reflect any merger, consolidation, or business reorganization in which the Company is the surviving entity and to reflect any stock split, stock dividend or other event generally

affecting the number of shares of common stock. If a merger, consolidation, or other business reorganization occurs and the Company is not the surviving entity, outstanding options may be assumed by the surviving entity, accelerated upon notice to the holder, or canceled, so long as the award holder receives payment equal to the value of the canceled awards.

Limitations on Transferability

Incentive stock options granted under the Employee Stock Plan may not be transferred during a participant's lifetime and will not be transferable other than by will or the laws of descent and distribution following the participant's death. Non-statutory stock options, restricted stock awards, restricted stock units and stock appreciation rights may be transferred pursuant to a qualified domestic relations order, by will or the laws of intestacy, to any member of the optionee's family or as may determined by the

Employee Stock Plan administrator.

Amendment and Termination

The Board may at any time amend, alter, suspend, or terminate the Employee Stock Plan. The Board will obtain shareholder approval of any Employee Stock Plan amendment to the extent necessary and desirable to comply with applicable law. Any amendments to the Employee Stock Plan or to any award agreement that would change the class of eligible employees, increase the number of awards that may be granted to any person or in total, reduce the minimum option price, or reduce the exercise price of any outstanding award must first be approved by the shareholders. No amendment, alteration, suspension, or termination of the Employee Stock Plan shall impair the rights of any participant with respect to any outstanding award under the plan, unless mutually agreed in writing.

Federal Income Tax Consequences

The following discussion is intended to be a summary and is not a comprehensive description of the federal tax laws, regulations, and policies affecting the Company and recipients of awards under the Employee Stock Plan. Any descriptions of the provisions of any law, regulation, or policy are qualified in their entirety by reference to the particular law, regulation, or policy. Any change in applicable law or regulation or the policies of various taxing authorities may have a significant effect on this summary.

A participant who receives incentive stock options will recognize no taxable income for regular federal income tax purposes upon either the grant or the exercise of such incentive stock options. However, when a participant exercises an incentive stock option, the difference between the fair market value of the shares purchased and the option price of those shares will be includable in determining the participant's alternative minimum taxable income. Provided that the participant makes no disposition of the shares before the later of the expiration of the two-year period from the date of grant of the option pursuant to which such shares were transferred, or the expiration of the one-year period from the date of transfer of such shares to the participant, gains on disposition of the shares acquired upon exercise of the incentive stock options will be taxable as long-term capital gain. In general, the adjusted basis for the shares acquired upon exercise will be the option price paid with respect to such exercise. We will not be entitled to a tax deduction arising from the exercise of an incentive stock option if the employee qualifies for such long-term capital gain treatment. If the participant is not entitled to long-term capital gain treatment on the disposition of the shares, then we will be entitled to a deduction equal to the excess of the fair market value of the shares on the day the option was exercised over the amount paid for the shares (or, if less, the difference between the fair market value of the shares on the date of disposition, minus the amount paid for the shares).

A participant who receives non-statutory stock options generally will not recognize taxable income for federal income tax purposes at the time of grant. However, the participant generally will recognize compensation taxable as ordinary income at the time of exercise for all shares that are not subject to a substantial risk of forfeiture. The amount of such compensation will be equal to the difference between the option price and the fair market value of the shares on the date of exercise of the option. We will be entitled to a deduction for federal income tax purposes at the same time and in the same amount as the participant is deemed to have recognized compensation income with respect to shares received upon the exercise of the non-statutory stock options. The participant's basis in the shares will be adjusted by adding the amount so recognized as compensation to the purchase price paid by the participant for the shares. The participant will recognize gain or loss when he or she disposes of shares obtained upon exercise of a non-statutory stock option in an amount equal to the difference between the selling price and the participant's tax basis in such shares. Such gain or loss will be treated as long-term or short-term capital gain or loss, depending upon the holding period for such shares.

A participant who receives a grant of stock-settled stock appreciation rights generally will not recognize taxable income for federal income tax purposes at the time of grant. The participant, however, will recognize compensation

taxable as ordinary income at the time of exercise. The amount of such compensation will be equal to the difference between the stock appreciation right exercise price and the fair market value of the shares received (plus any cash received) on the date of exercise of the stock appreciation right. We will be entitled to a deduction for federal income tax purposes at the same time and in the same amount as the participant is deemed to have recognized compensation income with respect to shares (and cash) received upon the exercise of the stock-settled stock appreciation right. The participant's basis in the shares received will be equal to the amount recognized as compensation for such shares in connection with the exercise. The participant will recognize gain or loss when he or she disposes of the shares obtained upon exercise of the stock appreciation right in an amount equal to the difference between the selling price and the participant's tax basis in such shares. Such gain or loss will be treated as long-term or short-term capital gain or loss, depending upon the holding period for such shares.

A participant who receives a restricted stock award (whether time-based or performance-based) will not recognize taxable

income for federal income tax purposes at the time such restricted stock award is granted. Once the award is vested, the participant will generally be required to include in ordinary income for the taxable year in which the vesting date occurs an amount equal to the fair market value of the shares on the vesting date. We will generally be allowed to claim a deduction for compensation expense in a like amount.

A participant who receives a grant of restricted stock units (whether time-based or performance-based) generally will not recognize taxable income for federal income tax purposes at the time of grant. Once the award is vested and the shares are distributed, the participant will generally be required to include in ordinary income for the tax year in which the shares are delivered an amount equal to the fair market value of the shares on the distribution date. We will generally be allowed to claim a deduction for compensation expense in a like amount.

The preceding statements are intended to summarize the general principles of current federal income tax law applicable to awards. State and local tax consequences may also be significant.

Current Grants

Awards under the proposed Second Amended and Restated Employee Stock Plan are discretionary and the Board has not yet determined to whom awards will be made or the terms and conditions of any awards that will be made. As a result, no information is provided concerning the benefits to be delivered under the plan to any individual or group of individuals.

Equity Compensation Plans

The Company currently has the following stock-based plans, all of which have been approved by the Company's Board of Directors and shareholders:

- 1996 Non-Employee Directors' Stock Option Plan (the "1996 Plan")
- 1997 Employee Stock Option Plan (the "1997 Plan")
- Amended and Restated 2005 Employee Stock Plan (the "2005 Plan")
- 2006 Non-Employee Director Stock Plan (the "2006 Plan")
- 2010 Non-Employee Director Stock Plan (the "2010 Plan")

The following table presents the amount of cumulatively granted stock options and restricted stock awards, net of forfeitures, through December 31, 2013. The closing market price of our common stock on March 21, 2014 was \$40.29.

	Authorized Stock Option Awards	Authorized Restricted Stock Awards	Total	Cumulative Granted, Net of Forfeitures			Authorized but Unissued
				Stock Option Awards	Restricted Stock Awards	Total	
1996 Plan	300,000	N/A	300,000	190,000	N/A	190,000	(4)
1997 Plan	1,100,000	N/A	1,100,000	972,771	N/A	972,771	(4)
2005 Plan (1)	(1)	(1)	1,650,000	537,941	465,856	1,003,797	646,203
2006 Plan (2)	(2)	(2)	35,400	15,000	20,400	35,400	(4)
2010 Plan (3)	(3)	(3)	314,600	27,000	56,300	83,300	231,300

(1) The Company may award up to a total of 1,650,000 shares as stock options or restricted stock awards.

(2) The Company may award up to a total of 50,000 shares as stock options or restricted stock awards. During 2010, the remaining 14,600 shares were transferred and available for issue under the 2010 Plan.

(3) The Company may award up to a total of 314,600 shares as stock options or restricted stock awards, inclusive of 14,600 shares which were transferred from the 2006 Plan.

(4) There are no shares available for grant under the 1996 Plan or 1997 Plan due to their expirations. These Plans have outstanding stock options exercisable despite the Plan expiration. Additionally, the 2006 Plan has outstanding stock options exercisable despite the transfer of remaining authorized shares to the 2010 Plan.

The following table sets forth information as of December 31, 2013 about the securities authorized for issuance under the Company's equity compensation plans, consisting of the 1996 Director Stock Plan, 1997 Employee Stock Option Plan, 2005 Employee Stock Plan, 2006 Non-Employee Director Stock Plan, and 2010 Non-Employee Director Stock Plan. The Company's

shareholders previously approved each of these plans and all amendments that were subject to shareholder approval. The Company has no other equity compensation plans.

Equity Compensation Plans

Equity Compensation Plan Category	Number of Securities to be Issued upon Exercise of Outstanding Options, Warrants and Rights	Weighted-Average Exercise Price of Outstanding Warrants and Rights	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a))	
	(a)	(b)	(c)	
Plans approved by security holders	524,948	\$ 30.50	877,503	(1)
Plans not approved by security holders	—	—	—	
TOTAL	524,948	\$ 30.50	877,503	

There are no shares available for future issuance under the 1996 Non-Employee Directors' Stock Option Plan, the 1997 Employee Stock Option Plan, or the 2006 Non-Employee Director Stock Plan. There are 646,203 shares available for future issuance under the 2005 Employee Stock Plan. There are 231,300 shares available for future (1)issuance under the 2010 Non-Employee Director Stock Plan. Shares under the 2005 and 2010 Plans may be issued as non-qualified stock options or restricted stock awards. If the Second Amended and Restated 2005 Employee Stock Plan is approved by shareholders at this meeting, shares may also be issued under the plan as restricted stock units and stock appreciation rights.

Additional information on our equity plans and grant practices can be found elsewhere in this proxy statement under the heading "Compensation Discussion and Analysis."

The Board unanimously recommends that you vote FOR approval of the Second Amended and Restated 2005 Employee Stock Plan. Proxies solicited by the Board will be so voted in the absence of direction to the contrary.

Advisory Vote on Executive Compensation (Proposal 4):

The Company is providing shareholders with an advisory (non-binding) vote on the compensation of our named executive officers (sometimes referred to as "say on pay"). In accordance with the preference expressed by our shareholders at our 2011 annual meeting, we currently hold an annual say on pay vote. Accordingly, you may vote on the following resolution at the 2014 annual meeting:

“Resolved, that the shareholders approve, on an advisory basis, the compensation of the Company's named executive officers as disclosed in the Compensation Discussion and Analysis, the accompanying compensation tables, and the related narrative disclosure in this Proxy Statement.”

This vote is nonbinding. The Board and the compensation committee, which is comprised of independent directors, expect to take into account the outcome of the vote when considering future executive compensation decisions to the extent they can determine the cause or causes of any significant negative voting results.

As discussed in the Compensation Discussion and Analysis in this proxy statement, the Board of Directors believes that our compensation policies and procedures are designed to provide a strong link between executive officer

compensation and our short and long-term performance. The objective of the Company's compensation program is to provide compensation which is competitive, variable based on our performance, and aligned with the long-term interests of shareholders. Shareholders are encouraged to read the Compensation Discussion and Analysis, the accompanying compensation tables, and the related narrative disclosure.

The Board unanimously recommends that you vote FOR the approval, on an advisory basis, of the compensation of our named executive officers as disclosed in the Compensation Discussion and Analysis, the accompanying compensation tables, and the related narrative disclosure. Proxies solicited by the Board will be so voted in the absence of direction to the contrary.

Other Matters

The proxy also confers discretionary authority with respect to any other business which may come before the annual meeting, including rules for the conduct of the meeting. The Board knows of no other matter to be presented at the meeting. It is the intention of the persons named as proxies to vote the shares to which the proxies relate according to their best judgment if any matters not included in this proxy statement come before the meeting.

BOARD OF DIRECTORS INFORMATION

For purposes of this proxy statement the ages of the board nominees, and our other directors, have been computed as of our annual meeting date.

The Board of the Company is currently comprised of the individuals listed below:

Directors Retiring in 2014:

Richard S. Anderson. Age 72. Mr. Anderson has, for at least the last five years, been the President and Treasurer of Anderson-Cushing Insurance Agency, Inc., an insurance broker in Middleborough, Massachusetts. Mr. Anderson has served as a director of Rockland Trust and the Company since 1992. Mr. Anderson was previously appointed a director of Middleborough Trust Company in 1980 and served as director of that bank until 1992, when it was merged with and into Rockland Trust. Mr. Anderson is currently a Class I director who will retire from the Board in April upon reaching the mandatory retirement age for directors. The Company intends to reduce the number of Class I directors to four when Mr. Anderson retires.

Richard H. Sgarzi. Age 71. Mr. Sgarzi is a retired cranberry grower. Mr. Sgarzi has been, for part of the past five years, the President and Treasurer of Black Cat Cranberry Corp., a cranberry grower in Plymouth, Massachusetts. Mr. Sgarzi has served as a director of Rockland Trust since 1980 and as a director of the Company since 1994. Mr. Sgarzi is currently a Class I director who will retire from the Board in August upon reaching the mandatory retirement age for directors. The Company intends to reduce the number of Class I directors to three when Mr. Sgarzi retires.

Robert D. Sullivan. Age 72. Mr. Sullivan has, for at least the last five years, been the President of Sullivan Tire Co., Inc., a retail and commercial tire and automotive repair service with locations throughout Massachusetts, Maine, New Hampshire, Connecticut, and Rhode Island. Mr. Sullivan has served as a director of Rockland Trust since 1979 and as a director of the Company since 2000. Mr. Sullivan is currently a Class III director who will retire from the Board in April upon reaching the mandatory retirement age for directors. The Company intends to reduce the number of Class III directors to four when Mr. Sullivan retires.

Board Nominees: Class III Directors (Nominated For Reelection at this Meeting For a Term Expiring in 2017):

William P. Bissonnette. Age 68. Mr. Bissonnette is a retired certified public accountant. Mr. Bissonnette has, for at least a part of the last five years, been a partner in the firm of Little & Bissonnette, CPAs located in Holliston, Massachusetts. Mr. Bissonnette has served as a director of Rockland Trust and the Company since 2009. Mr. Bissonnette previously served as a director and Chair of the compensation committee of Benjamin Franklin Bancorp, Inc. and its wholly-owned subsidiary Benjamin Franklin Bank until 2009, when Benjamin Franklin Bancorp, Inc. was merged with and into the Company. The Board or the nominating committee has determined that Mr. Bissonnette is qualified to serve as a director based upon his prior service as a director of the Company and of Rockland Trust, his mature business judgment, his inquisitive and objective perspective, his familiarity with the communities that Rockland Trust serves, his prior service as a director of another bank, and his designation as a certified public accountant.

Daniel F. O'Brien. Age 58. Mr. O'Brien is a certified public accountant and, for at least the last five years, has been owner and president of O'Brien, Riley and Ryan, a CPA firm located in Braintree, Massachusetts. Mr. O'Brien is also the manager of State Street Wealthcare Advisors, LLC, a financial services company. Mr. O'Brien is also a practicing attorney. Mr. O'Brien has served as a director of Rockland Trust and the Company since 2009. Mr. O'Brien previously served as a director and member of the audit committee of Benjamin Franklin Bancorp, Inc. and its wholly-owned subsidiary Benjamin Franklin Bank until 2009, when Benjamin Franklin Bancorp, Inc. was merged with and into the Company. Mr. O'Brien also previously served as a director of Chart Bank until it was merged with and into Benjamin Franklin Bank, and served as chair of the Chart Bank audit committee. The Board or the nominating committee has determined that Mr. O'Brien is qualified to serve as a director based upon his prior service as a director of the Company and of Rockland Trust, his mature business judgment, his inquisitive and objective perspective, his familiarity with the communities that Rockland Trust serves, his prior service as a director of other banks, and his designation as a certified public accountant.

Christopher Oddleifson. Age 55. Mr. Oddleifson has served as President and Chief Executive Officer of Rockland Trust and the Company since 2003. From 1998 to 2002 Mr. Oddleifson was President of First Union Home Equity Bank, a national banking subsidiary of First Union Corporation in Charlotte, North Carolina. Until its acquisition by First Union, Mr. Oddleifson was the Executive Vice President, responsible for Consumer Banking, for Signet Bank in Richmond, Virginia. He has also worked as a management consultant for Booz, Allen and Hamilton in Atlanta, Georgia. Mr. Oddleifson has served as a director of Rockland Trust and the Company since 2003. The Board or the nominating committee has determined that Mr. Oddleifson is qualified to serve as a director based upon his prior service as a director of the Company and of Rockland Trust, his mature business judgment, his inquisitive and objective perspective, and his familiarity with the communities that Rockland Trust serves.

Brian S. Tedeschi. Age 64. Mr. Tedeschi is a retired real estate developer and, for at least the last five years, has been a Director of Tedeschi Food Shops, Inc. Mr. Tedeschi has also been, for part of the last five years, the Chairman of the Board of Tedeschi Realty Corporation, a real estate development company in Rockland, Massachusetts. Mr. Tedeschi has served as a director of Rockland Trust since 1980 and as a director of the Company since 1991. The Board or the nominating committee has determined that Mr. Tedeschi is qualified to serve as a director based upon his prior service as a director of the Company and of Rockland Trust, his mature business judgment, his inquisitive and objective perspective, and his familiarity with the communities that Rockland Trust serves.

Class I Directors (Term Expires in 2015) (Directors Continuing In Office):

Donna L. Abelli. Age 56. Ms. Abelli is a certified public accountant and, for at least the last five years, has been a Consulting Chief Financial Officer. Ms. Abelli was named Chairman of the Board of Rockland Trust and the Company on March 30, 2012 and has served as a director of Rockland Trust and the Company since 2005. Ms. Abelli has served on an interim basis as the Chief Financial Officer of publicly-traded companies and various private companies; as the Chief Financial Officer of a publicly-traded company, and, from 1998 to 1999, was the President of the Massachusetts Society of CPAs. Ms. Abelli also served as the Director of Administration of South Shore Stars, Inc., a non-profit early education and youth development organization until early January 2013. The Board or the nominating committee has determined that Ms. Abelli is qualified to serve as a director based upon her prior service as a director of the Company and of Rockland Trust, her mature business judgment, her inquisitive and objective

perspective, her familiarity with the communities that Rockland Trust serves, her prior service as a chief financial officer of publicly-traded companies, and her designation as a certified public accountant.

Kevin J. Jones. Age 63. Mr. Jones has, for at least the last five years, been the Treasurer of Plumbers' Supply Company, a wholesale plumbing supply company, in Fall River, Massachusetts. Mr. Jones has served as a director of Rockland Trust since 1997 and as a director of the Company since 2000. Mr. Jones was previously appointed a director of Middleborough Trust Company in 1990 and served as director of that bank until 1992, when it was merged with and into Rockland Trust. The Board or the nominating committee has determined that Mr. Jones is qualified to serve as a director based upon his prior service as a director of the Company and of Rockland Trust, his mature business judgment, his inquisitive and objective perspective, his familiarity with the communities that Rockland Trust serves, and his prior service as a director of another bank.

John J. Morrissey. Age 47. Mr. Morrissey is a practicing attorney and is a founding partner of the Braintree, Massachusetts law firm Morrissey, Wilson, Zafiroopoulos LLP, a boutique law firm practicing in the areas of litigation, bankruptcy and creditors' rights, and real estate. Mr. Morrissey has been a practicing attorney for at least the last five years. Mr. Morrissey currently serves as a member of the Massachusetts Board of Bar Overseer's Hearing Committee which investigates complaints of attorney misconduct and makes recommendations for discipline to the Supreme Judicial Court. Mr. Morrissey is Chairman of the Massachusetts Bar Association's Judicial Administration Section Council and serves on the Workplace Safety Task Force. Mr. Morrissey is a Life Fellow of the Massachusetts Bar Foundation, the charitable arm of the Massachusetts Bar Association, and serves as a member of the Grant Advisory Committee. Mr. Morrissey has served as a director of Rockland Trust and the Company since 2012.

Mr. Morrissey previously served as a director of Central Bancorp, Inc. and its wholly-owned subsidiary Central Co-operative Bank d/b/a Central Bank until November 2012, when Central Bancorp, Inc. was merged with and into the Company. The Board or the nominating committee has determined that Mr. Morrissey is qualified to serve as a director based upon his prior service as a director of the Company and Rockland Trust, his mature business judgment, his inquisitive and objective perspective, his familiarity with the communities Rockland Trust serves, and his prior service as a director of another bank.

Class II Directors (Term Expires in 2016) (Directors Continuing In Office):

Benjamin A. Gilmore, II. Age 66. Mr. Gilmore is a licensed professional engineer and for at least the last five years has been the President of Gilmore Cranberry Co., Inc., a cranberry grower in South Carver, Massachusetts. Mr. Gilmore is also an engineering consultant and a Quittacas Company LLC partner. Mr. Gilmore served as a Director of Ocean Spray from 1989 to 2003, and was the Ocean Spray Board Chairman from 2002 to 2003. Mr. Gilmore has served as a director of Rockland Trust and the Company since 1992. Mr. Gilmore was

previously appointed a director of Middleborough Trust Company in 1989 and served as director of that bank until 1992, when it was merged with and into Rockland Trust. The Board or the nominating committee has determined that Mr. Gilmore is qualified to serve as a director based upon his prior service as a director of the Company and of Rockland Trust, his mature business judgment, his inquisitive and objective perspective, his familiarity with the communities that Rockland

Trust serves, and his prior service as a director of another bank.

Eileen C. Miskell. Age 56. Ms. Miskell is a certified public accountant and for at least the last five years has been the Treasurer of The Wood Lumber Company, a lumber company based in Falmouth, Massachusetts. Ms. Miskell has served as a director of Rockland Trust and the Company since 2005. Ms. Miskell was previously appointed a director of Falmouth Bancorp, Inc., the holding company of Falmouth Bank, which was merged with and into the Company in 2004. Ms. Miskell, while a Falmouth Bancorp Director, served as the chair of its audit committee. The Board or the nominating committee has determined that Ms. Miskell is qualified to serve as a director based upon her prior service as a director of the Company and of Rockland Trust, her mature business judgment, her inquisitive and objective perspective, her familiarity with the communities that Rockland Trust serves, her prior service as a director of another bank, and her designation as a certified public accountant.

Carl Ribeiro. Age 67. Mr. Ribeiro, for at least the last five years, has been the owner and President of Carlson Southcoast Corporation, a holding company for several food industry businesses based in New Bedford, Massachusetts. Mr. Ribeiro is also the Chairman of Famous Foods, an internet food distributor based in New Bedford, Massachusetts. Mr. Ribeiro has served as a director of Rockland Trust and the Company since 2008. Mr. Ribeiro was previously appointed a director of Slades Bank in 2005 and served as director of that bank and as the chair of its audit committee until 2008, when it was merged with and into Rockland Trust. Mr. Ribeiro also previously served as a director of Seacoast Financial Services Corporation and its wholly-owned subsidiary Compass Bank until 2004, and as the chair of its audit committee. The Board or the nominating committee has determined that Mr. Ribeiro is qualified to serve as a director based upon his prior service as a director of the Company and of Rockland Trust,

his mature business judgment, his inquisitive and objective perspective, his familiarity with the communities that Rockland Trust serves, and his prior service as a director of other banks.

John H. Spurr, Jr. Age 67. Mr. Spurr, for at least the last five years, has been the President of A.W. Perry, Inc., a real estate investment company in Boston, Massachusetts, and its wholly-owned subsidiary A.W. Perry Security Corporation. Mr. Spurr has served as a director of Rockland Trust since 1985 and as a director of the Company since 2000. The Board or the nominating committee has determined that Mr. Spurr is qualified to serve as a director based upon his prior service as a director of the Company and of Rockland Trust, his mature business judgment, his inquisitive and objective perspective, and his familiarity with the communities that Rockland Trust serves.

Thomas R. Venables. Age 59. Mr. Venables served as the President and CEO and as a director of Benjamin Franklin Bancorp, Inc. and its wholly-owned subsidiary Benjamin Franklin Bank from 2002 until 2009, when Benjamin Franklin Bancorp, Inc. was merged with and into the Company. Prior to 2002, Mr. Venables co-founded Lighthouse Bank of Waltham, Massachusetts in 1999 and served as its President and CEO and as a director. From 1998 to 1999, Mr. Venables was employed as a banking consultant with Marsh and McLennan Capital, Inc. He was employed by Grove Bank of Newton, Massachusetts from 1974 until it was acquired by Citizens Bank in 1997, serving as its President and CEO and as a director for the last 11 years of his tenure. Mr. Venables also serves as a director and President of the Rockland Trust Charitable Foundation, formerly known as the Benjamin Franklin Bank Charitable Foundation, an entity which is not affiliated with the Company or Rockland Trust.

Mr. Venables has served as a director of Rockland Trust and the Company since 2009. The Board or the nominating committee has determined that Mr. Venables is qualified to serve as a director based upon his prior service as a director of the Company and of Rockland Trust, his mature business judgment, his inquisitive and objective perspective, his familiarity with the communities that Rockland Trust serves, and his prior service as a director of other banks.

Corporate Governance Information

The Board has adopted governance principles, and written charters for all other Board committees, including the audit committee, the nominating committee, and the compensation committee. Our governance principles, as well as the charter for each current committee of the Board and/or of Rockland Trust may be viewed by accessing the Investor Relations link on the Rockland Trust website (<http://www.rocklandtrust.com>). Our common stock ownership guidelines for directors are set forth in our governance principles. The Company has a written Code of Ethics to assist its directors, officers, and employees in adhering

to their ethical and legal responsibilities. The current version of the Code of Ethics may also be viewed by accessing the Investor Relations link on the Rockland Trust website (<http://www.rocklandtrust.com>), and the Company will disclose any amendment to or waiver from a provision of the Code of Ethics as may be required and within the time period specified under applicable SEC and NASDAQ rules at this same location on the website.

Board Leadership Structure

The Board has, since 2003, named as its Chair a director who is not also the Chief Executive Officer of the Company or Rockland Trust and believes that such a leadership structure is appropriate to segregate the Board's oversight role from management of the Company and Rockland Trust. The Board provides oversight of the Chief Executive Officer and other management of the Company and Rockland Trust to ensure that the long-term interests of shareholders are being served through 12 regularly scheduled meetings a year, and additional meetings when necessary or advisable, at which reports on the management and performance of the Company and Rockland Trust, including reports regarding liquidity, interest rate risk, credit quality, loan loss provision, regulatory compliance, and other risks are reviewed. The Board has also established the Board committees described below which regularly meet and report back to the Board on the responsibilities delegated to them. In addition to its general oversight role, the Board also: selects, evaluates, and compensates the Chief Executive Officer and oversees Chief Executive Officer succession planning; reviews, monitors, and, when necessary or appropriate, approves fundamental financial and business strategies and major corporate actions; assesses major risks facing the Company or Rockland Trust and options for their mitigation; and maintains the integrity of financial statements and the integrity of compliance with law and ethics of the Company and Rockland Trust.

Shareholder Communications to Board

The Board will give appropriate attention to written communications on issues that are submitted by shareholders and will respond if and as appropriate. Absent unusual circumstances or as expressly contemplated by committee charters, the general counsel of the Company will (1) be primarily responsible for monitoring communications from shareholders and (2) will provide copies or summaries of such communications to the Board as he considers appropriate.

Communications will be forwarded to all directors if they relate to substantive matters and include suggestions or comments that the general counsel of the Company considers to be important for the Board to know. In general, communications relating to corporate governance and long-term corporate strategy are more likely to be forwarded than communications relating to personal grievances and matters as to which the Company tends to receive repetitive or duplicative communications.

Shareholders who wish to send communications on any topic to the Board should submit them, in writing, to the General Counsel, Independent Bank Corp., 288 Union Street, Rockland, Massachusetts 02370.

Shareholder Director Nominations

In accordance with the Company's By-Laws and its Charter, the nominating committee considers director nominees submitted by shareholders. The Company's By-Laws require shareholders to submit director nominations to the Company not less than 75 days nor more than 125 days prior to the anniversary date of the immediately preceding annual meeting (i.e., not later than March 1, 2015 or earlier than January 10, 2015). The nomination must set forth the name, age, business address, residence address, occupation, and amount of common stock held by the director nominee, as well as the written consent of the nominee. The shareholder must also include his or her name, record address, and amount of common stock held in the nomination. The shareholder must make certain further representations, as set forth in the Company's By-Laws. Shareholders should submit any director nominations, in writing, to the Clerk, Independent Bank Corp., 288 Union Street, Rockland, Massachusetts 02370.

The nominating committee will, as stated in its charter, review any director nominations submitted by shareholders to determine if the nominees satisfy the following criteria set forth in the Board's governance principles with respect to qualifications for directors:

Directors should, as a result of their occupation, background, and/or experience, possess a mature business judgment that enables them to make a positive contribution to the Board. Directors are expected to bring an inquisitive and objective perspective to their duties. Directors should possess, and demonstrate through their actions on the Board, exemplary ethics, integrity, and values.

Directors will be ineligible to continue to serve on the Board once they attain the age of 72. Directors who attain the age of 72 during their elected term as a Director will retire from the Board upon reaching the age of 72.

Aside from any stock ownership requirements that are imposed by law, Directors are not required to own any minimum amount of the Company's common stock in order to be qualified for Board service. Director ownership of the Company's common stock, however, is strongly encouraged and all of our Directors currently own our common stock. Please refer to the section entitled "Stock Ownership and Other Matters" in this proxy statement for more information about the amount of common stock owned by our Directors.

While familiarity with the communities that Rockland Trust serves is one factor to be considered in determining if an individual is qualified to serve as a Director, it is not a controlling factor. It is the sense of the Board, however, that a significant portion of the Directors should represent or be drawn from the communities that Rockland Trust serves.

Customers of Rockland Trust, if otherwise qualified, may be considered for Board membership. A customer relationship, however, will be a secondary criteria considered in evaluating a Director candidate in addition to other relevant considerations.

Directors must be willing to devote sufficient time to carrying out their duties and responsibilities effectively, and should be committed to serve on the Board for an extended period of time. Directors should offer their resignation in the event of any significant change in circumstances that renders them incapable of performing their duties.

Shareholder Proposals for Next Annual Meeting

If you are interested in submitting a proposal for inclusion in the proxy statement for the 2015 Annual Meeting, you need to follow the procedures outlined in Rule 14a-8 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Any shareholder who wishes to submit a proposal for inclusion in the proxy statement for the 2015 Annual Meeting will be required, pursuant to Rule 14a-8, to deliver the proposal to the Company no later than December 3, 2014. For business to be brought before next year's annual meeting by a shareholder (other than a proposal submitted in accordance with Rule 14a-8), you must give timely notice thereof to the Company. Such notice must be delivered to or mailed and received at the principal executive offices of the Company not less than 75 nor more than 125 days prior to the anniversary date of the immediately preceding annual meeting (i.e., not later than March 1, 2015 or earlier than January 10, 2015) and must otherwise satisfy the requirements set forth in the Company's By-Laws. In the event the Company receives notice of a shareholder proposal to take action at next year's annual meeting of shareholders that is not submitted for inclusion in the Company's proxy material, the persons named in the proxy sent by the Company to its shareholders intend to exercise their discretion to vote on the shareholder proposal in accordance with their best judgment. Please forward any shareholder proposals or notices of business, in writing, to the Clerk, Independent Bank Corp., 288 Union Street, Rockland, Massachusetts 02370.

Director Attendance at Annual Shareholder Meeting and Meetings of the Board and its Committees

It is our policy that, to the extent possible, all directors attend the annual shareholder meeting. All of our directors attended last year's annual shareholder meeting.

During 2013, the Boards of the Company and Rockland Trust had 14 concurrent meetings. All directors attended at least 75% of the meetings of our Board during the prior calendar year.

The Boards of the Company and Rockland Trust have standing executive, audit, compensation, and nominating committees. The Rockland Trust Board also has a standing trust committee. All Board committees operate under a written charter approved by the Board which describes the committee's role and responsibilities. The charter for each Board committee may be viewed by accessing the Investor Relations link on the Rockland Trust website (<http://www.rocklandtrust.com>).

Directors' membership on Board committees as of the end of the prior calendar year was as noted below. In addition to the three permanent members of the executive committee, three directors serve as rotating members of the executive committee for a three-month term, with the term of each rotating director staggered so that a new director rotates on and off of the committee each month. The following table provides 2013 membership and meeting information for each of the standing committees of the Company's Board:

Name	Executive	Audit	Compensation	Nominating
Mr. Jones	x		☒	☒
Mr. Oddleifson	☒			
Ms. Abelli	☒		☒	☒
Mr. Anderson	p			x
Mr. Bissonnette	p			
Mr. Gilmore	p		x	
Ms. Miskell	p	x	☒	☒
Mr. Morrissey	p			
Mr. O'Brien	p	☒		
Mr. Ribeiro	p	☒		
Mr. Sgarzi	p			
Mr. Spurr	p			
Mr. Sullivan	p	v		
Mr. Tedeschi	p			
Mr. Venables	p			
Total Meetings Held In 2013	24 meetings	4 meetings	7 meetings	1 meeting

- x Chairman of Committee
- v Vice Chairman of Committee
- ☒ Committee Member
- p Committee Member, Rotating Basis

All directors attended at least 75% of the committee meetings of the Board during the prior calendar year of which they were members.

Director Cash and Equity Compensation

Non-employee directors of the Company and Rockland Trust receive both cash and equity compensation as described below. Board compensation is reviewed by comparison to peer institutions using publicly available information. Director compensation is designed to attract and retain persons who are well qualified to serve as directors of the Company and Rockland Trust.

Director Cash Compensation

Non-employee directors of the Company and Rockland Trust receive cash compensation in the form of annual retainers and Board and committee meeting fees. Total cash director compensation depends upon whether a director served as Chair of the Board or one of its committees, whether a director served as a permanent or rotating executive committee member, and upon the number of Board and committee meetings a director attended. Cash compensation is paid to each non-employee director in arrears, quarterly, in an amount equal to one-fourth of the annual retainer plus the meeting fees then due.

The annual retainers for non-employee directors of the Company and of Rockland Trust during 2013 were as follows:

Position	Annual Retainer
Chairman of Board	\$41,000
Chairman of Executive Committee	\$36,000
Chairman Audit Committee	\$26,000
Vice Chairman Audit Committee	\$26,000
Chairman Compensation Committee	\$26,000
Chairman Nominating & Governance Committee	\$26,000
Chairman Trust Committee	\$26,000
Rotating Executive Committee Member	\$23,000

Board meeting fees during 2013 were \$1,000 per meeting for the Chairman and all other directors. Committee meeting fees during 2013 were \$1,250 per meeting for the audit committee and \$1,000 per meeting for all other Board committees.

In January of 2014, based upon an analysis of data relating to the Company's peer group identified under the heading "Use of Peer Groups and Survey Information" in the Compensation Discussion and Analysis (referred to as our "peer proxy group"), the Board voted to increase Board meeting and Board Committee meeting fees to \$1,200 per meeting for the Chairman and all other directors, to increase audit committee meeting fees to \$1,450, and to increase annual retainers, effective as of 2014, as follows:

Position	Annual Retainer
Chairman of Board	\$42,000
Chairman of Executive Committee	\$37,000
Chairman Audit Committee	\$27,000
Vice Chairman Audit Committee	\$27,000
Chairman Compensation Committee	\$27,000
Chairman Nominating & Governance Committee	\$27,000
Chairman Trust Committee	\$27,000
Rotating Executive Committee Member	\$24,000

The Company has established a Deferred Compensation Program that permits non-employee directors who choose to participate to defer all or any portion of the cash compensation they would otherwise receive. Directors who choose to participate in the Deferred Compensation Program have all, or a designated portion, of the cash compensation they would otherwise receive invested in the Company's common stock. Distributions, in the form of the Company's common stock, are made to directors who choose to participate in the Deferred Compensation Program following their departure from the Board. During the past year the following directors chose to defer some or all of their cash compensation pursuant to the Deferred Compensation Program: Director Jones - 100% deferred; Director Spurr - 50% deferred; and Director Ribeiro - 20% deferred.

No additional fees were paid to any member of the compensation committee or nominating committee for attendance at committee meetings if they were held concurrently with meetings of the executive committee and/or Board.

No annual retainer or meeting fees are paid to any director who is an employee of the Company or Rockland Trust.

Director Equity Compensation

In May 2010, the Company's shareholders approved the 2010 Non-Employee Director Stock Plan (the "2010 Director Stock Plan"), which provided that:

Each person who becomes a non-employee director at any time following the 2010 Annual Shareholders Meeting shall, on the first anniversary of his or her election, automatically and without further action be granted a non-statutory stock option to purchase 5,000 shares of common stock.

Following each annual shareholders meeting after 2010, each non-employee director who serves on the Board of the Company and/or Rockland Trust at any point during the calendar year of that annual meeting shall be granted either (A) a restricted stock award in an amount of shares of common stock not to exceed 1,500 and with a range for time vesting of between three and five years from the date of grant, (B) a non-statutory stock option to purchase not more than 3,000 shares of common stock, subject to adjustment, substitution, and vesting pursuant to the 2010 Director Stock Plan, or (C) a combination of restricted stock awards and non-statutory stock options. Such awards shall be made subject to the discretion of the compensation committee as set forth in the 2010 Director Stock Plan.

In May of 2013, each non-employee director was granted, pursuant to the 2010 Director Stock Plan, a restricted stock award for 1,050 shares of common stock vesting five years from the date of grant, or earlier if the director ceases to be a director for any reason other than cause such as, for example, by retirement.

In November 2013, John J. Morrissey was granted, pursuant to the 2010 Director Stock Plan, a non-qualified stock option award for 5,000 shares of common stock with an option price of \$35.48 pursuant to the Company's director plan which calls for such a stock option award upon the first anniversary of a director's appointment. One-third of the options vested on the date of grant and the remainder vest equally in January of 2014 and 2015, or earlier if he ceases to be a director for any reason other than cause such as, for example, by retirement.

Director Compensation Table

The following table summarizes the cash and equity compensation paid to non-employee directors during 2013:

Name	Fees Earned or Paid in Cash (1) (b)	Stock Awards (2) (c)	Option Awards (2) (d)	Non-Equity Incentive Plan Compensation (e)	Change in Pension Value and Nonqualified Deferred Compensation Earnings (f)	All Other Compensation (3) (g)	Total (h)
Donna L. Abelli	\$ 82,000	\$ 34,823	n/a	n/a	n/a	\$ 2,200	\$ 119,023
Richard S. Anderson	\$ 44,000	\$ 34,823	n/a	n/a	n/a	\$ 2,200	\$ 81,023
William P. Bissonnette	\$ 41,000	\$ 34,823	n/a	n/a	n/a	\$ 2,112	\$ 77,935
Benjamin A. Gilmore, II	\$ 51,000	\$ 34,823	n/a	n/a	n/a	\$ 2,200	\$ 88,023
Kevin J. Jones	\$ 77,000	\$ 34,823	n/a	n/a	n/a	\$ 2,200	\$ 114,023
Eileen C. Miskell	\$ 54,000	\$ 34,823	n/a	n/a	n/a	\$ 2,200	\$ 91,023
John J. Morrissey	\$ 43,000	\$ 34,823	\$ 40,636	n/a	n/a	\$ 1,122	\$ 119,581
Daniel F. O'Brien	\$ 47,000	\$ 34,823	n/a	n/a	n/a	\$ 2,112	\$ 83,935
Carl Ribeiro	\$ 47,000	\$ 34,823	n/a	n/a	n/a	\$ 2,200	\$ 84,023
Richard H. Sgarzi	\$ 43,000	\$ 34,823	n/a	n/a	n/a	\$ 2,200	\$ 80,023
John H. Spurr, Jr.	\$ 42,000	\$ 34,823	n/a	n/a	n/a	\$ 2,200	\$ 79,023
Robert D. Sullivan	\$ 56,000	\$ 34,823	n/a	n/a	n/a	\$ 2,200	\$ 93,023
Brian S. Tedeschi	\$ 40,000	\$ 34,823	n/a	n/a	n/a	\$ 2,200	\$ 77,023
Thomas R. Venables	\$ 49,000	\$ 34,823	n/a	n/a	n/a	\$ 2,112	\$ 85,935

(1) Column (b) reflects the total fees earned or paid in cash for directors. As noted above, during the past year Directors Jones, Spurr, and Ribeiro chose to defer some or all of their cash compensation pursuant to the Deferred Compensation Program.

(2) The amounts in columns (c) and (d) represent the grant date fair value of the restricted stock and option awards granted to directors calculated in accordance with Financial Accounting Standards Board ("FASB") Topic 718, excluding the impact of estimated forfeitures. No director awards were forfeited during the year. As of the end of the prior calendar year, the aggregate number of restricted stock awards and stock option awards for each non-employee director was as follows:

Name	Aggregate Outstanding Unvested Restricted Stock Awards per Director	Aggregate Outstanding Stock Option Awards per Director
William P. Bissonnette, Daniel F. O'Brien, and Thomas R. Venables	3,150	5,500
Richard S. Anderson, Benjamin A. Gilmore II, Kevin J. Jones, Richard H. Sgarzi, and Robert D. Sullivan	3,150	2,500
Eileen C. Miskell, Carl Ribeiro, and Brian S. Tedeschi	3,150	500
Donna L. Abelli and John H. Spurr, Jr.	3,150	—

John J. Morrissey

2,050

5,000

(3) Column (g) reflects the dividends paid to directors in 2013 on their unvested restricted stock.

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Report of the Audit Committee²

Each member of the audit committee is “independent” as defined under Section 10A(m)(3) of the Exchange Act, the rules and regulations of the SEC thereunder, and the listing standards of the NASDAQ Stock Market. In addition, the Board has determined that the audit committee has two members who each qualify as an “audit committee financial expert” as defined in regulations issued pursuant to the Sarbanes-Oxley Act of 2002. The two members who each qualify as an “audit committee financial expert” are Eileen C. Miskell, CPA, Chair of the audit committee, and Daniel F. O'Brien, CPA.

The audit committee operates under a written charter adopted and approved by the Board. The audit committee charter sets forth the audit services, audit-related services, and tax services which the audit committee has pre-approved our independent registered public accounting firm to perform up to a maximum fee of \$10,000 and the authority which the Board has granted to the audit committee chair to pre-approve the performance of any services by our independent registered public accounting firm in the interval between audit committee meetings. The current audit committee charter may be viewed by accessing the Investor Relations link on the Rockland Trust website (<http://www.rocklandtrust.com>).

The audit committee is responsible for providing independent, objective oversight of our audit process and for monitoring our accounting, financial reporting, data processing, regulatory, and internal control functions. One of the audit committee's primary responsibilities is to enhance the independence of the audit function, thereby furthering the objectivity of financial reporting. Accordingly, the audit committee is directly responsible for the appointment, compensation, retention and oversight of the work of our independent registered public accounting firm, who must report directly to the audit committee. The audit committee regularly meets privately with our independent registered public accounting firm, which has unrestricted access to the audit committee. The other duties and responsibilities of the audit committee are to: (1) oversee and review our financial reporting process and internal control systems; (2) evaluate our financial performance, as well as our compliance with laws and regulations; (3) oversee management's establishment and enforcement of financial policies; and (4) provide an open avenue of communication among the independent registered public accounting firm, financial and senior management, the internal audit department and the Board, including the resolution of any disagreements that may arise regarding financial reporting.

The audit committee has:

received the written disclosures and letter from E&Y required by the Public Company Accounting Oversight Board, has discussed the independence of E&Y and considered whether the provision of non-audit services by E&Y is compatible with maintaining auditor independence, and has satisfied itself as to the independence of E&Y;

reviewed and discussed our audited, consolidated financial statements for the fiscal year ended December 31, 2013 with our management and E&Y, our independent registered public accounting firm, including a discussion of the quality and effect of our accounting principles, the reasonableness of significant judgments and the clarity of disclosures in the financial statements;

discussed the matters required by Statement on Auditing Standards No. 61, as amended (AICPA, Professional Standards, Vol. 1. AU section 380), as adopted by the Public Company Accounting Oversight Board in Rule 3200T with E&Y, including the process used by management in formulating particularly sensitive accounting estimates and the basis for the conclusions of E&Y regarding the reasonableness of those estimates; and

met with the internal and independent auditors, with and without management present, to discuss the results of their examinations, their evaluations of our internal controls and the overall quality of our financial reporting.

² This report, and the compensation committee report below, shall not be deemed to be incorporated by reference into any of our previous filings with the SEC and shall not be deemed incorporated by reference into any of our future SEC filings irrespective of any general incorporation language therein.

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Based on the review and discussions noted above, the audit committee recommended to the Board of Directors that our audited financial statements be included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2013 for filing with the SEC.

Submitted by:

Eileen C. Miskell, CPA, Chair
Robert D. Sullivan, Vice-Chair
Daniel F. O'Brien, CPA
Carl Ribeiro
Audit Committee
Independent Bank Corp.

Compensation Committee Interlocks and Insider Participation

Directors Abelli, Gilmore, Jones, and Miskell served as members of the compensation committees of the Company and Rockland Trust during all of 2013. No current or former executive officer or other employee of the Company or of Rockland Trust served on the compensation committees of either the Company or Rockland Trust. No director or executive officer of the Company or Rockland Trust served on the compensation committee or the board of directors of any other entity, one of whose executive officers served on the compensation committee or the Board of the Company or Rockland Trust. No member of the compensation committee of the Company or Rockland Trust had any relationship with the Company or Rockland Trust since January 1, 2013 requiring disclosure under Item 404 of Regulation S-K under the Exchange Act.

Related Party Transactions

Since January 1, 2013, neither the Company nor Rockland Trust has been a party to any transaction or series of transactions in which the amount involved exceeded \$120,000 and which any director, executive officer, or holder of more than 5% of our stock, or any member of the immediate family of any such person, had or will have a direct or indirect material interest other than: standard compensation arrangements described below under "Executive Officer Information"; and the transactions described below.

In 2008 Rockland Trust considered a variety of real estate options for the needs of its expanding commercial lending division. After evaluating available alternatives, in 2008 Rockland Trust entered into a written lease with a landlord known as Brophy Randolph LLC, an entity managed and controlled by one of Rockland Trust's real estate developer customers, for one floor of the building located at 120 Liberty Street, Brockton, Massachusetts, a space of about 15,450 square feet. As Rockland Trust continued to grow it amended its written lease to include another floor at 120 Liberty Street, Brockton, Massachusetts. The two floors which Rockland Trust now lease comprise about two-thirds of the building, a total space of about 30,499 square feet. During 2013 Rockland Trust paid approximately \$780,000 in rent and other charges to Brophy Randolph LLC pursuant to the amended written lease. Trusts established for the adult children of Director Kevin J. Jones are passive investors in Brophy Randolph LLC and collectively have a twenty-five percent (25%) ownership interest in that landlord entity. The Trusts established for the adult children of Director Jones do not control Brophy Randolph LLC. Director Jones does not own any portion of, or control, Brophy Randolph LLC.

During 2013 Rockland Trust paid approximately \$144,000 in rent or other charges pursuant to a written lease to a landlord known as the MFS Realty Trust, a Massachusetts nominee realty trust, for a bank branch location in Plymouth. Director Robert D. Sullivan is one of the Trustees of the MFS Realty Trust. Director Sullivan does not currently have a direct beneficial interest in the MFS Realty Trust.

During 2013 Rockland Trust paid approximately \$125,000 in rent or other charges pursuant to a written lease to a landlord known as the Route 53 Realty Trust, a Massachusetts nominee realty trust, for a bank branch location in Norwell. Director Robert D. Sullivan is one of the Trustees of the Route 53 Realty Trust. Director Sullivan does not currently have a direct beneficial interest in the Route 53 Realty Trust.

In the opinion of management of the Company, the terms of the foregoing transactions were no less favorable to the Company than those it could have obtained from an unrelated party providing comparable premises or services.

Pursuant to various regulatory requirements and other applicable law, the Board of Rockland Trust must approve certain extensions of credit, contracts, and other transactions between Rockland Trust and any director or executive officer. The Board has adopted a written policy, and Rockland Trust has established written procedures, to implement these requirements which state,

in essence, that any transaction between Rockland Trust and any director or executive officer, or any of their immediate family members must be made on terms comparable to those which Rockland Trust would reach with an unrelated, similarly situated third-party and must be approved in advance by a Board vote. Rockland Trust's General Counsel and Rockland Trust's designated Federal Reserve Bank Regulation O officer share responsibility for oversight and implementation of the Board policy and Rockland Trust procedures for review of related party transactions, which are typically applied to extensions of credit and any other financial transaction of a material nature between Rockland Trust and any director or executive officer. Any director or executive officer involved in such a transaction leaves the meetings while the Board considers and votes upon the transaction.

Some of the directors and executive officers of the Company, as well as members of their immediate families and the companies, organizations, trusts, and other entities with which they are associated are, or during 2013 were, also customers of Rockland Trust in the ordinary course of business, or had loans outstanding during 2013. It is anticipated that such persons and their associates will continue to be customers of and indebted to Rockland Trust in the future. All such loans were made in the ordinary course of business, did not involve more than normal risk of collectability or present other unfavorable features, were made on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable loans with unaffiliated persons and, where required by law, were prior approved by the Rockland Trust Board. None of these loans to directors, executive officers, or their associates are nonperforming.

Director Independence

NASDAQ rules, and our governance principles, require that at least a majority of our Board be composed of "independent" directors. Mr. Oddleifson, who is the President and CEO of the Company and of Rockland Trust, and Mr. Morrissey, whose father was an officer of Central Bancorp, Inc. and Central Co-operative Bank d/b/a Central Bank and whose father is party to a consulting and non-competition agreement with Rockland Trust, are the only directors not currently considered to be "independent" directors. All other directors of the Company and of Rockland Trust are "independent" within the meaning of both the NASDAQ rules and our own corporate governance principles. Thirteen of the fifteen directors who served on the Board in 2013, therefore, were "independent" directors. When Mr. Anderson, Mr. Sgarzi, and Mr. Sullivan retire from the Board this year, ten of our twelve directors will be "independent directors." Except as described above in the section entitled "Related Party Transactions," none of our independent directors were a party to any transactions, relationships or arrangements that were considered by the Board in determining the directors' independence.

None of our directors are members of the board of directors of any other publicly-traded company. Our formal position on the time which directors must be willing to devote to their duties is set forth in our governance principles.

EXECUTIVE OFFICER INFORMATION

Executive Officers

The following individuals were executive officers of the Company and/or Rockland Trust as of December 31, 2013. For purposes of this proxy statement their ages have been computed as of our annual meeting date.

Christopher Oddleifson. Age 55. Mr. Oddleifson has served as President and Chief Executive Officer of Rockland Trust and the Company since 2003. From 1998 to 2002 Mr. Oddleifson was President of First Union Home Equity Bank, a national banking subsidiary of First Union Corporation in Charlotte, North Carolina. Until its acquisition by First Union, Mr. Oddleifson was the Executive Vice President, responsible for Consumer Banking, for Signet Bank in Richmond, Virginia. He has also worked as a management consultant for Booz, Allen and Hamilton in Atlanta, Georgia.

Robert Cozzone. Age 43. Mr. Cozzone has served as Chief Financial Officer and Treasurer of the Company and Rockland Trust since September 2013, and served as the Treasurer of both the Company and Rockland Trust from April 2008 to September 2013, adding to his title of Senior Vice President and Treasurer of Rockland Trust since 2002. Mr. Cozzone joined Rockland Trust in October 1998 and served as Vice President and has previously held financial positions at BankBoston.

Raymond G. Fuerschbach. Age 63. Mr. Fuerschbach has served as Senior Vice President and Director of Human Resources of Rockland Trust since April 1994. Prior thereto, Mr. Fuerschbach had been Vice President and Human Resource Officer of Rockland Trust since November 1992. From January 1991 to October 1992, Mr. Fuerschbach served as Director of Human Resources for Cliftex Corp., New Bedford, Massachusetts, a tailored clothing manufacturer, and served in the same capacity for Chesebrough-Ponds, Inc., Health-Tex Division, Cumberland, Rhode Island from 1987 to 1991.

Edward F. Jankowski. Age 63. Mr. Jankowski has served as the Director of Residential Lending and Compliance of Rockland Trust since September 2013 and as the Chief Technology and Operations Officer of Rockland Trust since November 2004 to September 2013. From October 2003 to November 2004, Mr. Jankowski was Chief Risk Officer of the Company and of Rockland Trust. From November 2000 to October 2003, Mr. Jankowski was Chief Internal Auditor of the Company and Rockland Trust. Prior thereto, Mr. Jankowski served as Senior Vice President of North Shore Bank, Peabody, Massachusetts from 1995 to 2000. From 1985 to 1994, Mr. Jankowski was Senior Vice President of Multibank Service Corp., a subsidiary of Multibank Financial Corp., Dedham, Massachusetts. During the latter part of 2013 Mr. Jankowski transitioned a portion of his prior responsibilities to Mr. Jensen in connection with Mr. Jankowski's gradual transition to retirement and Mr. Jensen's appointment as Chief Information Officer. Due to the transition of those responsibilities Mr. Jankowski will, as of the date of this proxy statement, no longer be classified as an executive officer.

Barry H. Jensen.