

PEAPACK GLADSTONE FINANCIAL CORP
Form DEF 14A
March 25, 2005

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 Section 240.14a-11(c) or Section
240.14a-12

PEAPACK-GLADSTONE FINANCIAL CORPORATION

(Name of Registrant as Specified in its Charter)

(Name of Person Filing Proxy Statement if other than 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):

4) Proposed maximum aggregate value of transaction:

5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule
0-11(a)(2) and identify the filing with which the offsetting fee was paid
previously. Identify the previous filing by registration statement number, or
the Form or Schedule and the date of its filing.

1) Amount Previously Paid:

2) Form, Schedule or Registration Statement No.:

3) Filing Party:

4) Date Filed:

Edgar Filing: PEAPACK GLADSTONE FINANCIAL CORP - Form DEF 14A

PEAPACK-GLADSTONE FINANCIAL CORPORATION
158 ROUTE 206 NORTH
GLADSTONE, NEW JERSEY 07934

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD ON TUESDAY, APRIL 26, 2005

To Our Shareholders:

NOTICE IS HEREBY GIVEN that the Annual Meeting of Shareholders of Peapack-Gladstone Financial Corporation will be held at Fiddler's Elbow Country Club, 811 Rattlesnake Bridge Road, Bedminster Township, New Jersey, on Tuesday, April 26, 2005, at 2:00 p.m. local time for the purpose of considering and voting upon the following matters:

1. Election of thirteen directors to serve until the expiration of their terms and thereafter until their successors shall have been duly elected and qualified.
2. Such other business as may properly come before the meeting or any adjournment thereof.

Only shareholders of record at the close of business on March 14, 2005, are entitled to receive notice of, and to vote at, the meeting.

You are urged to read carefully the attached proxy statement relating to the meeting.

Shareholders are cordially invited to attend the meeting in person. Whether or not you expect to do so, we urge you to date and sign the enclosed proxy form and return it in the enclosed envelope as promptly as possible. You may revoke your proxy by filing a later-dated proxy or a written revocation of the proxy with the Secretary of Peapack-Gladstone prior to the meeting. If you attend the meeting, you may revoke your proxy by filing a later-dated proxy or written revocation of the proxy with the Secretary of the meeting prior to the voting of such proxy.

By Order of the Board of Directors

ANTOINETTE ROSELL,
CORPORATE SECRETARY

Gladstone, New Jersey
March 25, 2005

YOUR VOTE IS IMPORTANT. PLEASE SIGN AND RETURN THE
ENCLOSED PROXY IN THE ENVELOPE PROVIDED.

PEAPACK-GLADSTONE FINANCIAL CORPORATION
158 ROUTE 206 NORTH
GLADSTONE, NEW JERSEY 07934

PROXY STATEMENT
DATED MARCH 25, 2005

GENERAL PROXY STATEMENT INFORMATION

This proxy statement is furnished to the shareholders of

Edgar Filing: PEAPACK GLADSTONE FINANCIAL CORP - Form DEF 14A

Peapack-Gladstone Financial Corporation ("Peapack-Gladstone") in connection with the solicitation by the Board of Directors of Peapack-Gladstone of proxies for use at the Annual Meeting of Shareholders to be held at Fiddler's Elbow Country Club, 811 Rattlesnake Bridge Road, Bedminster Township, New Jersey on Tuesday, April 26, 2005 at 2:00 p.m. local time. This proxy statement is first being mailed to shareholders on approximately March 25, 2005.

VOTING INFORMATION

Outstanding Securities and Voting Rights

The record date for determining shareholders entitled to notice of, and to vote at, the meeting is March 14, 2005. Only shareholders of record as of the record date will be entitled to notice of, and to vote at, the meeting.

On the record date, 8,268,612 shares of Peapack-Gladstone's common stock, no par value, were outstanding and eligible to be voted at the meeting. Each share of Peapack-Gladstone's common stock is entitled to one vote.

Required Vote

The election of directors requires the affirmative vote of a plurality of Peapack-Gladstone's common stock voted at the meeting, whether voted in person or by proxy. At the meeting, inspectors of election will tabulate both ballots cast by shareholders present and voting in person, and votes cast by proxy. Under applicable New Jersey law and Peapack-Gladstone's certificate of incorporation and by-laws, abstentions and broker non-votes are counted for purpose of establishing a quorum but otherwise do not count.

All shares represented by valid proxies received pursuant to this solicitation will be voted FOR the election of the 13 nominees for director who are named in this proxy statement, unless the shareholder specifies a different choice by means of the proxy or revokes the proxy prior to the time it is exercised. Should any other matter properly come before the meeting, the persons named as proxies will vote upon such matters according to their discretion.

Revocability of Proxy

Any shareholder giving a proxy has the right to attend and to vote at the meeting in person. A proxy may be revoked prior to the meeting by filing a later-dated proxy or a written revocation if it is sent to the Secretary of Peapack-Gladstone, Antoinette Rosell, at 158 Route 206 North, Gladstone, New Jersey, 07934, and is received by Peapack-Gladstone in advance of the meeting. A proxy may be revoked at the meeting by filing a later-dated proxy or a written revocation with the Secretary of the meeting prior to the voting of such proxy.

Solicitation of Proxies

This proxy solicitation is being made by the Board of Peapack-Gladstone and the costs of the solicitation will be borne by Peapack-Gladstone. In addition to the use of the mails, proxies may be solicited personally or by telephone, e-mail or facsimile transmission by directors, officers and employees of Peapack-Gladstone and its subsidiaries who will not be specially compensated for such solicitation activities. Peapack-Gladstone will also make arrangements with brokers, dealers, nominees, custodians and fiduciaries to forward proxy soliciting materials to the beneficial owners of shares held of record by such persons, and Peapack-Gladstone may reimburse them for their reasonable expenses incurred in forwarding the materials.

PROPOSAL 1 - ELECTION OF DIRECTORS

Edgar Filing: PEAPACK GLADSTONE FINANCIAL CORP - Form DEF 14A

DIRECTOR INFORMATION

Peapack-Gladstone's certificate of incorporation and by-laws authorize a minimum of 5 and a maximum of 25 directors, but leave the exact number to be fixed by resolution of Peapack-Gladstone's Board of Directors. The Board has currently fixed the number of directors at 13 and the Board is presently comprised of 13 members. Directors are elected annually by the shareholders for one-year terms. Peapack-Gladstone's Nominating Committee has recommended to the Board the 13 current directors for reelection to serve for one-year terms expiring at Peapack-Gladstone's 2006 Annual Meeting of Shareholders and until their successors shall have been duly elected and qualified. If, for any reason, any of the nominees become unavailable for election, the proxy solicited by the Board will be voted for a substitute nominee selected by the Board. The Board has no reason to believe that any of the named nominees is not available or will not serve if elected.

Unless a shareholder indicates otherwise on the proxy, the proxy will be voted for the persons named in the table below to serve until the expiration of their terms, and thereafter until their successors have been duly elected and qualified.

The following table sets forth the names and ages of the Board's nominees for election, the nominees' position with Peapack-Gladstone (if any), the principal occupation or employment of each nominee for the past five years and the period during which each nominee has served as a director of Peapack-Gladstone. The nominee's prior service as a director includes prior service as a director of Peapack-Gladstone Bank (the "Bank") prior to the formation of the holding company.

NOMINEES FOR ELECTION AS DIRECTORS

Name and Position With Peapack-Gladstone	Age	Director Since	Principal Oc Employment for
Anthony J. Consi, II	59	2000	Senior Vice President of Finance and Previously Chairman of Chatham Savin
Pamela Hill	67	1991	President of Ferris Corp., a real es Vice President of Ferris Corp.
T. Leonard Hill	93	1944	Chairman Emeritus of the Board of Pe previously Chairman of Peapack-Glads Ferris Corp., a real estate manageme
Frank A. Kissel Chairman and CEO	54	1989	Chairman and CEO of Peapack-Gladston President and CEO of Peapack-Gladsto
John D. Kissel	52	1987	Real Estate Broker, Turpin Real Esta
James R. Lamb	62	1993	Principal of James R. Lamb, P.C., At
Edward A. Merton	64	1981	President of Merton Excavating and P
F. Duffield Meyercord	58	1991	Managing Director and Partner of Car Managing Director, Meyercord Advisor Paradise, Inc.
John R. Mulcahy	66	1981	Retired; previously President of Mul

Edgar Filing: PEAPACK GLADSTONE FINANCIAL CORP - Form DEF 14A

Robert M. Rogers, President and COO	46	2002	President and COO of Peapack-Gladstone Bank; Executive Vice President and COO of previously Senior Vice President and Bank.
Philip W. Smith, III	49	1995	President, Phillary Management, Inc.

2

Name and Position With Peapack-Gladstone	Age	Director Since	Principal Occupation Employment for
Craig C. Spengeman, President, PGB Trust and Investments	49	2002	President, PGB Trust and Investments Bank; Executive Vice President of Peapack-Gladstone Bank; previously Senior Vice President of Peapack-Gladstone and the Bank.
Jack D. Stine	83	1976	Retired. Trustee, Proprietary House

T. Leonard Hill is the father of Pamela Hill. Frank A. Kissel and John D. Kissel are brothers.

CORPORATE GOVERNANCE

General

The business and affairs of Peapack-Gladstone are managed under the direction of the Board of Directors. Members of the Board are kept informed of Peapack-Gladstone's business through discussions with the Chairman and Peapack-Gladstone's other officers, by reviewing materials provided to them and by participating in meetings of the Board and its committees. All members of the Board also served as directors of Peapack-Gladstone's subsidiary bank, Peapack-Gladstone Bank, during 2004. The Board of Directors of Peapack-Gladstone held five meetings during 2004. During 2004, all directors of Peapack-Gladstone attended no fewer than 75% of the total number of meetings of Peapack-Gladstone's Board and meetings of committees on which such director served. It is Peapack-Gladstone's policy to encourage director attendance at the Annual Meeting absent a compelling reason such as illness. Last year, all but one director attended the Annual Meeting.

Our Board of Directors believes that the purpose of corporate governance is to maximize shareholder value in a manner consistent with legal requirements. The Board has adopted corporate governance principles, which the Board and senior management believe promote this purpose. We periodically review these governance principles, the rules and listing standards of the American Stock Exchange (the "AMEX") and Securities and Exchange Commission (the "SEC") regulations.

Director Independence

The Board has determined that a majority of the directors and all current members of the Nominating, Compensation, and Audit Committees are "independent" for purposes of Section 121 of the American Stock Exchange Company Guide, and that the members of the Audit Committee are also "independent" for

Edgar Filing: PEAPACK GLADSTONE FINANCIAL CORP - Form DEF 14A

purposes of Section 10A(m) (3) of the Securities Exchange Act of 1934 and Section 803 of the American Stock Exchange Company Guide. The Board based these determinations primarily on a review of the responses of the directors and executive officers to questions regarding employment and transaction history, affiliations and family and other relationships and on discussions with the directors. The independent directors are Anthony J. Consi, II, James R. Lamb, Edward A. Merton, F. Duffield Meyercord, John R. Mulcahy, Philip W. Smith, III, and Jack D. Stine.

To assist it in making determinations of independence, the Board has concluded that the following relationships are immaterial and that a director whose only relationships with Peapack-Gladstone fall within these categories is independent:

- o A loan made by the Bank to a director, his or her immediate family member or an entity affiliated with a director or his or her immediate family member, or a loan personally guaranteed by such persons if such loan (i) complies with state and federal regulations on insider loans, where applicable; and (ii) is not classified by the Bank's credit committee or by any bank regulatory agency which supervised the Bank as substandard, doubtful or loss.
- o A deposit, trust, insurance brokerage, securities brokerage or similar customer relationship between Peapack-Gladstone or its subsidiaries and a director, his or her immediate family member or an affiliate of his or her immediate family member if such relationship is on customary and usual market terms and conditions.
- o The employment by Peapack-Gladstone or its subsidiaries of any immediate family member of the director if the employee serves below the level of a senior vice president.

3

- o Annual contributions by Peapack-Gladstone or its subsidiaries to any charity or non-profit corporation with which a director is affiliated if the contributions do not exceed an aggregate of \$20,000 in any calendar year and the contribution is made in the name of Peapack-Gladstone.
- o Purchases of goods or services by Peapack-Gladstone or any of its subsidiaries from a business in which a director or his or her immediate family member is a partner, shareholder or officer, if the director or his or her immediate family member own five percent or less of the equity interests of that business and do not serve as an executive officer of the business.
- o Purchases of goods or services by Peapack-Gladstone, or any of its subsidiaries, from a director or a business in which the director or his or her immediate family member is a partner, shareholder or officer if the annual aggregate purchases of goods or services from the director, his or her immediate family member or such business in the last calendar year does not exceed the greater of \$60,000 or two percent of the gross revenues of the business.
- o Fixed retirement benefits paid or payable to a director either currently or on retirement.

Executive Sessions of Non-Management Directors

Edgar Filing: PEAPACK GLADSTONE FINANCIAL CORP - Form DEF 14A

Our Corporate Governance Principles require the Board to provide for at least semi-annual executive sessions to include non-management directors. At least once a year, the Board holds an executive session including only independent directors. Peapack-Gladstone's Board has chosen to rotate the presiding director for each meeting among the Chairperson of the Audit, Compensation, and Nominating Committees.

Shareholder Communication with Directors

The Board of Directors has established the following procedures for shareholder communications with the Board of Directors:

- o Shareholders wishing to communicate with the Board of Directors should send any communication to Board of Directors, Peapack-Gladstone Financial Corporation, c/o Secretary of Peapack-Gladstone, Antoinette Rosell, at 158 Route 206 North, Gladstone, New Jersey, 07934. Any such communication should state the number of shares owned by the shareholder.
- o The Corporate Secretary will forward such communication to the Board of Directors or as appropriate to the particular Committee Chairman, unless the communication is a personal or similar grievance, a shareholder proposal or related communication, an abusive or inappropriate communication, or a communication not related to the duties or responsibilities of the Board of Directors, in which case the Corporate Secretary has the authority to disregard the communication. All such communications will be kept confidential to the extent possible.
- o The Corporate Secretary will maintain a log of, and copies of, all communications, for inspection and review by any Board member, and shall regularly review all such communications with the Board or the appropriate Committee Chairman.

The Board of Directors has also established the following procedures for shareholder communications with the rotating chairman of the executive sessions of the non-management directors of the Board:

- o Shareholders wishing to communicate with the presiding director of executive sessions should send any communication to the presiding director of executive sessions, Peapack-Gladstone Financial Corporation, c/o Corporate Secretary of Peapack-Gladstone, Antoinette Rosell, at 158 Route 206 North, P.O. Box 178, Gladstone, New Jersey, 07934. Any such communication should state the number of shares owned by the shareholder.
- 4
- o The Corporate Secretary will forward such communication to the then presiding director, unless the communication is a personal or similar grievance, a shareholder proposal or related communication, an abusive or inappropriate communication, or a communication not related to the duties or responsibilities of the non-management directors, in which case the Corporate Secretary has the authority to disregard the communication. All such communications will be kept confidential to the extent possible.
 - o The Corporate Secretary will maintain a log of, and copies of, all communications, for inspection and review by the presiding director of executive sessions, and shall regularly review all such

Edgar Filing: PEAPACK GLADSTONE FINANCIAL CORP - Form DEF 14A

communications with the presiding director at the next meeting.

Committees of the Board of Directors

In 2004, the Board of Directors maintained an Audit Committee, a Nominating Committee and a Compensation Committee.

Audit Committee

Mr. Consi serves as Chair of the Audit Committee. Other members of the Audit Committee are Messrs. Stine, Mulcahy and Smith. The Audit Committee met eleven times during 2004.

The Board of Directors has determined that at least one member of the Audit Committee meets the American Stock Exchange standard of being financially sophisticated. The Board of Directors has also determined that Mr. Consi meets the SEC criteria of an "audit committee financial expert."

The Audit Committee operates pursuant to a charter. The charter can be viewed at the Investor Relations link on our website www.pgbank.com. The charter gives the Audit Committee the authority and responsibility for the appointment, retention, compensation and oversight of our independent auditors, including pre-approval of all audit and non-audit services to be performed by our independent auditors. Other responsibilities of the Audit Committee pursuant to the charter include: reviewing the scope and results of the audit with our independent auditors; reviewing with management and our independent auditors Peapack-Gladstone's interim and year-end operating results including press releases; considering the appropriateness of the internal accounting and auditing procedures of Peapack-Gladstone; considering our outside auditors' independence; reviewing examination reports by bank regulatory agencies; reviewing audit reports prepared by the accounting firm which conducts the internal audit functions for Peapack-Gladstone; and reviewing the response of management to those reports. The Audit Committee reports to the full Board concerning pertinent matters coming before it.

Nominating Committee

Peapack-Gladstone's Nominating Committee consists of Messrs. Smith (Chair), Consi, Lamb, Merton, Meyercord, Mulcahy and Stine. The Nominating Committee operates under a written charter setting out the functions and responsibilities of this committee. The charter can be viewed at the Investor Relations link on our website www.pgbank.com. The Nominating Committee reviews qualifications of and recommends to the Board candidates for election as director of Peapack-Gladstone and the Bank, considers the composition of the Board, recommends committee assignments, and discusses management succession for the Chairman and the CEO positions. The Nominating Committee develops corporate governance principles which include director qualifications and standards; director responsibilities; director orientation and continuing education; limitations concerning service on other boards; director access to management and records, criteria for annual self-assessment of the Board, its committees, management and the effectiveness of their functioning. The committee is also charged with reviewing the Board's adherence to the Corporate Governance Principles and the Code of Business Conduct and Ethics. The Nominating Committee reviews recommendations from shareholders regarding corporate governance and director candidates. The procedure for submitting recommendations of director candidates is set forth below under the caption "Nomination of Directors." The Nominating Committee met two times during 2004.

Compensation Committee

Peapack-Gladstone's Compensation Committee consists of Messrs. Meyercord (Chair), Stine, Merton and Consi. The Compensation Committee operates under a written charter setting out the functions and responsibilities of this committee. The charter can be viewed at the Investor Relations link on our website www.pgbank.com. The Compensation Committee determines CEO compensation, sets general compensation levels for all officers and employees and sets specific compensation for executive officers. It also administers our stock option plans and makes awards under those plans. The Board has approved its charter, which delegates to the Compensation Committee the responsibility to recommend Board compensation. During 2004, the Compensation Committee met four times.

Nomination of Directors

Nominations for director may be made only by the Board of Directors or a committee of the Board or by a shareholder of record entitled to vote. The Board of Directors has established minimum criteria for members of the Board.

These include:

- o Directors are encouraged to live and/or work in the communities served by Peapack-Gladstone's subsidiary bank.
- o Directors shall beneficially own or agree to acquire at least \$25,000 (market value) of Peapack-Gladstone stock.
- o Directors shall be experienced in business, shall be financially literate and shall be respected members of their communities.
- o Directors shall be of high ethical and moral standards and have sound personal finances.
- o A Director may not serve on the board of directors of any other bank that serves the same market area as Peapack-Gladstone and may only serve on the boards of three other publicly-traded companies.
- o If there is a vacancy, the Nominating Committee shall evaluate the qualifications of persons who may be recommended to it as potential candidates based on information the Committee may deem relevant.

The Nominating Committee has adopted a policy regarding consideration of director candidates recommended by shareholders. The Nominating Committee will consider nominations made by shareholders. In order for a shareholder to make a nomination, the shareholder must provide a notice along with the additional information and supporting materials to our Corporate Secretary not less than 120 days nor more than 150 days prior to the first anniversary of the date of the preceding year's annual meeting. The shareholder wishing to propose a candidate for consideration by the Nominating Committee must have significant stake in Peapack-Gladstone. To qualify for consideration by the Nominating Committee, the shareholder submitting the candidate must demonstrate that he or she has been the beneficial owner of at least one percent of Peapack-Gladstone's outstanding shares for a minimum of one year prior to the submission of the request. In addition, the Nominating Committee has the right to require any additional background or other information from any director candidate or the recommending shareholder, as it may deem appropriate. For our annual meeting in the year 2006, we must receive this notice on or after November 27, 2005, and on or before December 27, 2005. The following factors, at a minimum, are considered

Edgar Filing: PEAPACK GLADSTONE FINANCIAL CORP - Form DEF 14A

by the Nominating Committee as part of its review of all director candidates and in recommending potential director candidates to the Board:

- o appropriate mix of educational background, professional background and business experience to make a significant contribution to the overall composition of the Board;
- o if the Committee deems it applicable, whether the candidate would be able to read and understand fundamental financial statements and considered to be financially sophisticated as described in the AMEX rules, or considered to be an audit committee financial expert as defined pursuant to the Sarbanes-Oxley Act of 2002;
- o if the Committee deems it applicable, whether the candidate would be considered independent under the AMEX rules and the Board's additional independence guidelines set forth in Peapack-Gladstone's Corporate Governance Principles;
- o demonstrated character and reputation, both personal and professional, consistent with that required for a bank director;

6

- o willingness to apply sound and independent business judgment;
- o ability to work productively with the other members of the Board;
- o availability for the substantial duties and responsibilities of a Peapack-Gladstone Financial Corporation director; and
- o meets the additional criteria set forth in the Peapack-Gladstone's Corporate Governance Principles.

You can obtain a copy of the full text of our policy regarding shareholder nominations by writing to Antoinette Rosell, Secretary, 158 Route 206 North, P.O. Box 178, Gladstone, New Jersey 07934.

Code of Business Conduct and Ethics and Corporate Governance Principles

Peapack-Gladstone has adopted a Code of Business Conduct and Ethics, which applies to Peapack-Gladstone's chief executive officer, principal financial officer, principal accounting officer and to all other Peapack-Gladstone directors, officers and employees. The Code of Business Conduct and Ethics is available in the Investor Relations section of Peapack-Gladstone's website located at www.pgbank.com. The Code of Business Conduct and Ethics is also available in print to any shareholder who requests it. Peapack-Gladstone will disclose any substantive amendments to or waiver from provisions of the Code of Business Conduct and Ethics made with respect to a director or executive officer on our website and to the extent required by AMEX and SEC rules, in a Current Report on Form 8-K.

We have also adopted Corporate Governance Principles, which are intended to provide guidelines for the governance of Peapack-Gladstone by the Board and its committees. The Corporate Governance Principles are available at the Investor Relations section of Peapack-Gladstone's website located at www.pgbank.com.

DIRECTOR COMPENSATION

Peapack-Gladstone pays its directors an \$8,000 annual retainer for

Edgar Filing: PEAPACK GLADSTONE FINANCIAL CORP - Form DEF 14A

service on the Board, and \$500 for each regular Bank Board meeting they attend and \$400 for each committee meeting they attend. Committee Chairs and Audit Committee members receive an additional \$2,000 annual retainer. The Audit Committee Chair receives an additional \$16,000 annual retainer. The Compensation Committee Chair receives an additional \$10,000 annual retainer and the Compensation Committee members receive an additional \$1,000 annual retainer. Frank A. Kissel, Robert M. Rogers and Craig C. Spengeman, as full-time employees, were not compensated for services rendered as directors.

The 1998 and 2002 Stock Option Plans for Outside Directors provide for the award of non-qualified stock options to each non-employee director. The plans provide that grants are made based upon recommendations from the Compensation Committee to the Board and a vote from the full Board. In 2004, each outside director was awarded 11,000 stock options at an exercise price of \$28.89.

Under each of the plans, the exercise price for the option shares may not be less than the fair market value of the common stock on the date of grant of the option. The options granted under these plans are, in general, exercisable not earlier than one year after the date of grant, at a price equal to the fair market value of the common stock on the date of grant, and expire not more than ten years after the date of grant. The stock options vest during a period of up to five years after the date of grant. All options granted under these plans are exercisable in cumulative installments of 20 percent for each year after the date of grant such that 100 percent of the options will be exercisable after five years.

Effective March 31, 2001, Peapack-Gladstone established a retirement plan for eligible non-employee directors of Peapack-Gladstone and/or its subsidiaries. The plan provides 5 years of annual benefits to directors with 10 or more years of service, which commence after a director has retired from the Board. The annual benefit is equal to 25 percent of the director's final compensation and increases by 5 percent for each year of service in excess of 10. The maximum benefit is limited to 50 percent of final compensation. No director was credited with more than 10 years of service when the plan became effective, regardless of how long the person had served as director as of the effective date. If a director with 10 years of service ceases to be a director as a result of death or disability, or a director with 5 years of service ceases to be a director following a change in control, the director will be credited with a total of 15 years of service for plan purposes. In the event that the director dies prior to receipt of all benefits, the payments continue to the director's beneficiary or estate.

7

Effective March 31, 2001, Peapack-Gladstone established a nonqualified deferred compensation plan for non-employee directors covering retainer fees and the aggregate of all fees for service and attendance at Board and committee meetings. Participation is optional. As of January 1, 2005, the plan is temporarily frozen and no further contributions may be made. Peapack-Gladstone is awaiting further guidance from the Internal Revenue Service. Interest is paid on the deferred fees equal to that which would have been credited if such deferred fees were invested in the Peapack-Gladstone Money Market Account, which yields 2.14 percent as of February 28, 2005. The provisions of the deferred compensation plan are designed to comply with certain rulings of the Internal Revenue Service under which the deferred amounts are not taxed until received. Under the deferred compensation plan, the directors who elect to defer their fees receive the fees either (i) in a lump sum on the first day of the calendar quarter following termination of service as director, or on the first day of a calendar quarter that is at least 5 years following the date of the original

Edgar Filing: PEAPACK GLADSTONE FINANCIAL CORP - Form DEF 14A

deferral election, or (ii) in substantially equal annual installments over a period of between 2 to 10 years, commencing in January of the calendar year following the calendar year during which the director ceases serving as director. In the event the director dies, within a reasonable period of time following his or her death, the amount credited to the director's deferred compensation account shall be paid in a lump sum to the director's beneficiary or estate.

8

BENEFICIAL OWNERSHIP OF COMMON STOCK

Certain Beneficial Owners

The following table sets forth as of February 28, 2005 certain information as to beneficial ownership of each person known to Peapack-Gladstone to own beneficially more than 5 percent of the outstanding common stock of Peapack-Gladstone. The beneficial owner in the table below has sole voting and investment power as to all his shares.

Name of Beneficial Owner	Number of Shares Beneficially Owned	Percent of Class
James M. Weichert	801,435	9.70%

Stock Ownership of Directors and Executive Officers

The following table sets forth as of February 28, 2005 the number of shares of Peapack-Gladstone's common stock beneficially owned by each of the directors/nominees, the executive officers of Peapack-Gladstone for whom individual information is required to be set forth in this proxy statement (the "named executive officers") pursuant to the regulations of the SEC, and by all directors and executive officers as a group.

Name of Beneficial Owner	Number of Shares Beneficially Owned (1)	Percent of Class (2)
Arthur F. Birmingham	44,010 (3)	*
Garrett P. Bromley	45,105 (4)	*
Anthony J. Consi, II	63,927 (5)	*
Pamela Hill	79,237 (6)	*
T. Leonard Hill	155,215 (7)	1.88%
Frank A. Kissel	145,858 (8)	1.75%
John D. Kissel	57,759 (9)	*
James R. Lamb	34,280 (10)	*
Edward A. Merton	38,230 (11)	*
F. Duffield Meyercord	33,560 (12)	*
John R. Mulcahy	31,879 (13)	*
Robert M. Rogers	58,185 (14)	*
Philip W. Smith, III	39,457 (15)	*
Craig C. Spengeman	60,625 (16)	*
Jack D. Stine	38,038 (17)	*
All directors and executive officers as a group (15 persons)	926,570	10.72%

9

NOTES:

Edgar Filing: PEAPACK GLADSTONE FINANCIAL CORP - Form DEF 14A

* Less than one percent

- (1) Beneficially owned shares include shares over which the named person exercises either sole or shared voting power or sole or shared investment power. It also includes shares owned (i) by a spouse, minor children or by relatives sharing the same home, (ii) by entities owned or controlled by the named person and (iii) by other persons if the named person has the right to acquire such shares within 60 days by the exercise of any right or option. Unless otherwise noted, all shares are owned of record or beneficially by the named person.
- (2) The number of shares of common stock used in calculating the percentage of the class owned includes shares of common stock outstanding as of February 28, 2005, and 379,658 shares purchasable pursuant to options exercisable within 60 days of February 28, 2005.
- (3) This total includes 2,892 shares allocated to Mr. Birmingham under Peapack-Gladstone's Profit Sharing Plan and 36,194 shares purchasable pursuant to options exercisable within 60 days of February 28, 2005.
- (4) This total includes 2,469 shares allocated to Mr. Bromley under Peapack-Gladstone's Profit Sharing Plan and 37,349 shares purchasable pursuant to options exercisable within 60 days of February 28, 2005.
- (5) This total includes 9,926 shares purchasable pursuant to options exercisable within 60 days of February 28, 2005.
- (6) This total includes 13,006 shares purchasable pursuant to options exercisable within 60 days of February 28, 2005.
- (7) This total includes 114,595 shares owned by the Hill Family Trusts and 6,458 shares purchasable pursuant to options exercisable within 60 days of February 28, 2005.
- (8) This total includes 3,348 shares owned by Mr. Frank A. Kissel's wife, 2,827 shares owned by Mr. Kissel's child, 8,165 shares allocated to Mr. Kissel under Peapack-Gladstone's Profit Sharing Plan and 80,661 shares purchasable pursuant to options exercisable within 60 days of February 28, 2005.
- (9) This total includes 1,609 shares owned by Mr. John D. Kissel's wife, 5,547 shares owned by Mr. Kissel's children and 13,006 shares purchasable pursuant to options exercisable within 60 days of February 28, 2005.
- (10) This total includes 3,232 shares owned by Mr. Lamb's wife and 15,050 shares purchasable pursuant to options exercisable within 60 days of February 28, 2005.
- (11) This total includes 13,006 shares purchasable pursuant to options exercisable within 60 days of February 28, 2005.
- (12) This total includes 29,185 shares purchasable pursuant to options exercisable within 60 days of February 28, 2005.
- (13) This total includes 1,400 shares owned by Mr. Mulcahy's wife and 8,928 shares purchasable pursuant to options exercisable within 60 days of February 28, 2005.
- (14) This total includes 4,822 shares allocated to Mr. Rogers under Peapack-Gladstone's Profit Sharing Plan and 49,763 shares purchasable pursuant to options exercisable within 60 days of February 28, 2005.

Edgar Filing: PEAPACK GLADSTONE FINANCIAL CORP - Form DEF 14A

- (15) This total includes 6,562 shares owned by Mr. Smith's wife, 1,274 shares owned by Mr. Smith's children and 8,956 shares purchasable pursuant to options exercisable within 60 days of February 28, 2005.
- (16) This total includes 826 shares owned by Mr. Spengeman's wife, 5,464 shares allocated to Mr. Spengeman under Peapack-Gladstone's Profit Sharing Plan and 45,164 shares purchasable pursuant to options exercisable within 60 days of February 28, 2005.
- (17) This total includes 13,006 shares purchasable pursuant to options exercisable within 60 days of February 28, 2005.

10

EXECUTIVE COMPENSATION

General

Executive compensation is described below in the tabular format mandated by the SEC. All share amounts have been restated to give effect to stock dividends and splits.

Summary Compensation Table

The following table summarizes all compensation earned in the past three years for services performed in all capacities for Peapack-Gladstone and its subsidiaries with respect to the named executive officers.

SUMMARY COMPENSATION TABLE

Name and Principal Position	Year	Annual Compensation		Long Term C Awa
		Salary (\$)	Bonus (\$)	
Frank A. Kissel, Chairman of the Board and CEO of Peapack-Gladstone and the Bank	2004	291,748	158,337	27,
	2003	283,250	127,463	-
	2002	275,778	137,500	-
Craig C. Spengeman, President of PGB Trust and Investments and Executive Vice President of Peapack-Gladstone	2004	212,180	104,854	21,
	2003	206,000	82,400	-
	2002	200,904	80,000	-
Robert M. Rogers, President and COO of Peapack-Gladstone and the Bank	2004	185,658	82,464	21,
	2003	180,250	72,100	-
	2002	175,856	70,000	-

Arthur F. Birmingham,

Edgar Filing: PEAPACK GLADSTONE FINANCIAL CORP - Form DEF 14A

Executive Vice President and CFO of Peapack-Gladstone and the Bank	2004	159,135	70,684	19,
	2003	155,200	61,800	-
	2002	149,675	60,000	-
Garrett P. Bromley, Executive Vice President of the Bank	2004	139,200	61,763	19,
	2003	134,423	54,000	-
	2002	123,899	26,400	-

NOTES:

- (1) For 2004, consists of contributions made to Peapack-Gladstone's Savings and Profit Sharing Plan.

11

Stock Option Grants in 2004

Stock Option Grants/SARs in Last Fiscal Year

Name	Individual Grants			
	Number of Securities Underlying Options/SARs Granted (#) (2)	% of Total Options/SARs Granted to Employees in Fiscal Year	Exercise or Base Price (\$/Sh) (2)	Expiration Date
Frank A. Kissel	27,499	12.22	28.89	1/9/2014
Craig C. Spengeman	21,999	9.78	28.89	1/9/2014
Robert M. Rogers	21,999	9.78	28.89	1/9/2014
Arthur F. Birmingham	19,249	8.56	28.89	1/9/2014
Garrett P. Bromley	19,249	8.56	28.89	1/9/2014

NOTES:

- (1) The dollar amounts under these columns are the results of calculations at the 5 percent and the 10 percent rates set by the Securities and Exchange Commission and therefore are not intended to forecast possible future appreciation, if any, of Peapack-Gladstone's common stock price. Based upon 8,246,042 common shares outstanding as of December 31, 2004, all shareholders as a group would receive future appreciation of \$130,081,313 with 5 percent growth, and \$260,162,625 with 10 percent growth, over a 10-year period.

Edgar Filing: PEAPACK GLADSTONE FINANCIAL CORP - Form DEF 14A

- (2) The number of shares subject to the options, and the exercise price per share, have been adjusted to reflect a subsequent stock dividend.
- (3) These stock options became exercisable immediately on the date of grant, January 9, 2004.

12

Aggregated Option Exercises in 2004 and Year-End Option Value

The following table shows options exercised during 2004, and the value of unexercised options held at year-end 2004, by the named executive officers. Peapack-Gladstone did not use SARs as compensation in 2004.

AGGREGATED OPTION/SAR EXERCISES IN THE LAST FISCAL YEAR AND FY-END OPTION VALUES

Name	Shares Acquired On Exercise (#)	Value Realized (\$)	Number of Securities Underlying Unexercised Options/SARs at Fiscal Year-End (#)
-----	-----	-----	-----
			Exercisable/Unexercisable
Frank A. Kissel	7,400	152,810	80,661/0
Craig C. Spengeman	2,565	64,074	45,164/0
Robert M. Rogers	--	--	49,763/0
Arthur F. Birmingham	--	--	36,508/0
Garrett P. Bromley	4,237	90,230	37,349/0

(1) Calculated on the basis of the closing price of Peapack-Gladstone common stock at December 31, 2004 of \$31.55 per share, less the per share exercise price.

Savings and Profit Sharing Plans

Peapack-Gladstone has established a qualified defined contribution plan under Section 401(k) (the "401(k) Plan") of the Internal Revenue Code of 1986, as amended (the "Code"), covering substantially all salaried employees over the age of twenty-one with at least twelve months' service and whose participation is not prohibited by the 401(k) Plan. Under the savings portion of the 401(k) Plan, employees may contribute up to fifteen percent of their pay to their elective account via payroll withholding. Annually, Peapack-Gladstone adds a matching contribution equal to fifty percent up to a maximum of \$250 of the employee contribution. In addition, the Board may elect to make a discretionary contribution to the profit sharing part of the 401(k) Plan. The profit sharing portion is non-contributory and funds are invested in Peapack-Gladstone's common stock.

13

Edgar Filing: PEAPACK GLADSTONE FINANCIAL CORP - Form DEF 14A

Pension Plan

Peapack-Gladstone sponsors a non-contributory defined benefit pension plan that covers substantially all of Peapack-Gladstone's salaried employees. The benefits are based on an employee's compensation, age at retirement and years of service. It is the policy of Peapack-Gladstone to fund not less than the minimum funding amount required by the Employee Retirement Income Security Act.

The following table sets forth the estimated annual benefits that an eligible employee would receive under Peapack-Gladstone's qualified defined benefit pension plan, assuming retirement at age 65 in 2004 and a straight life annuity benefit, for the remuneration levels (subject to an annual compensation limit of \$210,000) and years of service shown.

Remuneration	Years of Credited Service			
	10	15	20	25
\$50,000	\$ 11,127	\$ 16,691	\$ 22,149	\$ 27,581
100,000	25,313	37,969	51,006	64,138
150,000	39,498	59,246	79,862	100,694
210,000 and higher	53,683	80,524	108,718	137,250

Messrs. Kissel, Spengeman, Rogers, Birmingham and Bromley have approximately 16, 20, 18, 9 and 8 years of credited service, respectively, under the pension plan as of January 1, 2005, and at age 65, would have 27, 36, 37, 21 and 13 years of credited service, respectively.

Employment Agreements

Peapack-Gladstone and the Bank entered into employment agreements (the "Employment Agreements") with each of Frank A. Kissel, Craig C. Spengeman, Robert M. Rogers and Arthur F. Birmingham as of January 1, 2002 for a period of three years to expire on December 31, 2004. Peapack-Gladstone and the Bank have since entered into extensions of these agreements, in their original form, until June 30, 2005. Peapack-Gladstone and the Bank also entered into an employment agreement (the "Employment Agreement") with Garrett P. Bromley as of January 1, 2003 for a period of three years to expire on December 31, 2005.

The Employment Agreements provide, among other things, for (i) participation during the employment term in all compensation and employee benefits plans for which any salaried employees of Peapack-Gladstone are eligible, (ii) an annual base salary, (iii) annual increases to base salary, and (iv) bonus payments with respect to each calendar year based on budgeted goals. If the Executive's employment is terminated without cause, Peapack-Gladstone shall pay the executive's base salary for a period equal to the longer of (A) the remainder of the term, or (B) one year from the effective date of such termination. The Employment Agreements also include certain non-compete and non-solicitation provisions, which extend for two years following the executive's termination of employment.

Change-In-Control Arrangements

Peapack-Gladstone and the Bank entered into Amended and Restated Change-in-Control Agreements with Frank A. Kissel, Craig C. Spengeman, Robert M.

Edgar Filing: PEAPACK GLADSTONE FINANCIAL CORP - Form DEF 14A

Rogers, Arthur F. Birmingham, and Garrett P. Bromley as of December 11, 2003, each of which provides for termination benefits in the event of a change in control of Peapack-Gladstone (as defined in the agreements). Pursuant to the agreements, under certain circumstances, Peapack-Gladstone and the Bank would be required to pay aggregate amounts equal to three times the highest annual salary and bonuses paid during any calendar year during the three years prior to the change in control plus continue certain health benefits. In the event that the severance payments and benefits under the agreements, together with any other parachute payments, would constitute an excess parachute payment under Section 280G of the Code, the payments would be increased in an amount sufficient to pay the excise taxes and other income and payroll taxes necessary to allow Messrs. Kissel, Spengeman, Rogers, Birmingham, and Bromley to retain the same net amount, after such taxes, as each was otherwise entitled to receive. Section 280G limits payments generally to three times the last five-year average W-2 compensation.

14

Life Insurance

In addition to providing a term life insurance benefit to each of the named executive officers, Peapack-Gladstone also purchased bank owned life insurance ("BOLI") and entered into a Split-Dollar Plan, dated September 7, 2001, with the executive officers and certain other employees to provide current and post-employment life insurance in an amount which ranges from a minimum benefit of \$25,000 to 2.5 times the executive's annual base salary. A life insurance benefit of 2.5 times a participant's annual base salary vests if prior to the termination of employment there is a change in control or the participant becomes disabled. A benefit of 2.5 times the participant's salary is paid if the participant dies while employed by Peapack-Gladstone. The participant also is entitled to a vested post-employment life insurance benefit based on years of service and the participant's age as of the date of termination of employment. This vested benefit ranges from a minimum of 1.0 times base annual salary at age 50 to a maximum of 2.5 times annual base salary at age 65, in each case after completion of 15 years of service. There is a minimum benefit of \$25,000 if the participant does not reach the vesting levels. Except if the benefit vests because of a change in control, the participant's vested benefit may be forfeited if the participant solicits Peapack-Gladstone's employees or divulges certain confidential information.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires that Peapack-Gladstone's executive officers, directors and persons who own more than ten percent of a registered class of Peapack-Gladstone's common stock, file reports of ownership and changes in ownership with the SEC. Based upon copies of reports furnished by insiders, all Section 16(a) reporting requirements applicable to insiders during 2004 were satisfied on a timely basis, except that Mr. Rogers filed one late form reporting a single transaction.

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

The Board of Directors established a Compensation Committee, which has been charged with overseeing executive compensation practices at Peapack-Gladstone. Members of the Compensation Committee are Messrs. Meyercord (Chair), Stine, Merton and Consi. Decisions on compensation of executive officers have been made by the full Board of Directors based upon the recommendations of the Compensation Committee.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Edgar Filing: PEAPACK GLADSTONE FINANCIAL CORP - Form DEF 14A

The Bank intends to purchase an undetermined amount of mortgage loans from Weichert Mortgage Company ("Weichert Mortgage") during 2005. Weichert Mortgage is wholly-owned by James M. Weichert, who beneficially owns 9.70 percent of Peapack-Gladstone's outstanding common stock. Anthony J. Consi is not a shareholder, officer, or director of Weichert Mortgage. Any purchases by the Bank from Weichert Mortgage will be on terms that are substantially the same, or at least as favorable to, the Bank as those offered by Weichert Mortgage to other unaffiliated entities. During 2004, the Bank purchased \$74.5 million from Weichert Mortgage. There are no guarantees that any purchases will be made in the future.

In addition to the matters discussed above and discussed under the caption "Compensation Committee Interlocks and Insider Participation," directors and officers and their associates were customers of and had transactions with the Bank during the year ended December 31, 2004, and it is expected that such persons will continue to have such transactions in the future. All deposit accounts, loans, and commitments comprising such transactions were made in the ordinary course of business of the Bank on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with other persons, and, in the opinion of management of Peapack-Gladstone, did not involve more than normal risks of collectibility or present other unfavorable features.

COMPENSATION COMMITTEE REPORT ON EXECUTIVE COMPENSATION

The following report was prepared by the Compensation Committee of Peapack-Gladstone regarding executive compensation policy and its relation to Peapack-Gladstone's performance.

Compensation Review Process

The Compensation Committee of the Board of Directors is responsible for establishing and overseeing policies governing annual and long-term compensation programs for the officers named in the compensation tables shown above and other executive officers of Peapack-Gladstone.

15

In establishing compensation for executive officers, the Compensation Committee considers many factors including, but not limited to, Corporation performance, individual performance and peer group compensation practices. In considering Corporation performance, the Compensation Committee reviews the actual performance of Peapack-Gladstone in light of its annual budget, which includes expense items, deposit levels, loan growth, fee income and trust department management. Annual performance reviews of each officer together with salary studies prepared by the New Jersey Community Bankers Association are some of the sources of compensation information, which are utilized in determining executive compensation. Base salaries approximate the average base salaries paid by similar financial institutions for similar positions.

During 2004, Mr. Frank A. Kissel served as Chairman and Chief Executive Officer of the Bank and Chairman and Chief Executive Officer of Peapack-Gladstone. Mr. Kissel's base salary for 2004 of \$283,733 was set by the Board based on his performance in executing his responsibilities in those positions in 2003 and the performance anticipated from him in 2004 and future years. The Board also considered the objectives set by the Compensation Committee for 2004, the overall performance of Peapack-Gladstone and Mr. Kissel's ability to develop and motivate employees to meet Peapack-Gladstone's short and long-term objectives. Mr. Kissel's 2004 bonus of \$158,337 was based on

Edgar Filing: PEAPACK GLADSTONE FINANCIAL CORP - Form DEF 14A

the completion of specified corporate projects for 2004 within a specified time and budget, the achievement of specified minimum financial ratios and the achievement of specified goals with respect to the Bank's financial performance and growth. Mr. Kissel was awarded 27,499 stock options at an exercise price of \$28.89 in 2004.

With respect to 2004 compensation for executive officers, the Compensation Committee based its recommendations, and the full Board based its actions, on the duties and responsibilities of the officer in question, the performance of Peapack-Gladstone and of the particular officer in 2003, and the performance anticipated from the officer in 2004 and future years. Bonuses for each executive officer were set based on goals set for the executive officer and for Peapack-Gladstone as a whole. The Chief Executive Officer set goals for each executive officer. During 2004, other named executive officers received qualified incentive stock options.

Based upon current levels of compensation, Peapack-Gladstone is not affected by the provisions of Section 162(m) of the Internal Revenue Code, which limits the deductibility of compensation above \$1 million for each of the five highest paid officers of Peapack-Gladstone. Certain forms of compensation are exempt from this deductibility limit, primarily performance based compensation, which has been approved by shareholders. Compensation under the 1998 Stock Incentive Plan and the 2002 Stock Incentive Plan (but not restricted stock awards) is expected to be exempt.

Detailed information relating to the named executive officers is shown in the compensation tables above.

F. DUFFIELD MEYERCORD, CHAIRMAN
 ANTHONY J. CONSI, II
 EDWARD A. MERTON
 JACK D. STINE

16

The following graph compares the cumulative total return on a hypothetical \$100 investment made on January 1, 2000 in: (a) Peapack-Gladstone's common stock; (b) the Russell 3000 Stock Index, and (c) the Keefe, Bruyette & Woods KBW 50 Index (top 50 U.S. banks). The graph is calculated assuming that all dividends are reinvested during the relevant periods. The graph shows how a \$100 investment would increase or decrease in value over time, based on dividends (stock or cash) and increases or decreases in the market price of the stock.

Total Return Performance

[LINE GRAPH OMITTED]

Index	Period Ending			
	12/31/99	12/31/00	12/31/01	12/31/02
Peapack-Gladstone Financial Corp.	100.00	104.63	97.50	183.39
Russell 3000	100.00	92.54	81.94	64.29
KBW 50	100.00	120.06	115.11	107.00

REPORT OF THE AUDIT COMMITTEE

To the Board of Directors of Peapack-Gladstone Financial Corporation:

We have reviewed and discussed with management Peapack-Gladstone's audited financial statements as of and for the year ended December 31, 2004.

We have discussed with the independent auditors the matters required to be discussed by Statement on Auditing Standards No. 61, Communication with Audit Committees, as amended, by the Auditing Standards Board of the American Institute of Certified Public Accountants.

We have received and reviewed the written disclosures and the letter from the independent registered public accounting firm required by Independence Standard No. 1, Independence Discussions with Audit Committee, as amended, by the Independence Standards Board, and have discussed with the auditors the auditors' independence.

Based on the reviews and discussions referred to above, we recommend to the Board of Directors that the financial statements referred to above be included in Peapack-Gladstone's Annual Report on Form 10-K for the year ended December 31, 2004.

THE AUDIT COMMITTEE

ANTHONY J. CONSI, II, CHAIRMAN
 JOHN R. MULCAHY
 PHILIP W. SMITH, III
 JACK D. STINE

March 2, 2005

RECOMMENDATION AND VOTE REQUIRED ON PROPOSAL 1

Directors will be elected by a plurality of the votes cast at the Annual Meeting, whether in person or by proxy. THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE `FOR' THE NOMINATED SLATE OF DIRECTORS INCLUDED IN PROPOSAL 1.

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Audit Committee of the Board of Directors appointed KPMG LLP as independent registered public accounting firm to examine Peapack-Gladstone's consolidated financial statements for the fiscal year ending December 31, 2004 and to render other professional services as required.

Aggregate fees billed by Peapack-Gladstone's independent registered public accounting firm, KPMG LLP, for audit services related to the most recent two fiscal years, and for other professional services billed in the most recent two fiscal years, were as follows:

Type of Service -----	2004 ----	2003 ----
Audit Fees (1)	\$245,000	\$130,500
Audit-Related Fees (2)	22,000	18,000
Tax Fees (3)	36,900	38,000
All Other Fees	-	-

Edgar Filing: PEAPACK GLADSTONE FINANCIAL CORP - Form DEF 14A

Total	----- \$303,900 =====	----- \$186,500 =====
-------	-----------------------------	-----------------------------

- (1) Comprised of the audit of Peapack-Gladstone's annual financial statements and reviews of Peapack-Gladstone's quarterly financial statements, as well as statutory audits of Peapack-Gladstone's subsidiaries, attest services, and consents to SEC filings. Also includes the audit of Peapack-Gladstone's internal control over financial reporting for 2004.
- (2) Comprised of fees for audit of retirement and 401(k) plans.
- (3) Comprised of services for tax compliance, tax return preparation, tax advice, and tax planning.

18

AUDIT COMMITTEE PRE-APPROVAL PROCEDURES

The Audit Committee has adopted a formal policy concerning the pre-approval of audit and non-audit services to be provided by the independent registered public accounting firm to Peapack-Gladstone. The policy requires that all services to be performed by KPMG LLP, Peapack-Gladstone's independent registered public accounting firm, including audit services, audit-related services and permitted non-audit services, be pre-approved by the Audit Committee. Specific services being provided by the independent registered public accounting firm are regularly reviewed in accordance with the pre-approval policy. At subsequent Audit Committee meetings, the Committee receives updates on the services actually provided by the independent registered public accounting firm, and management may present additional services for approval. All services rendered by KPMG LLP are permissible under applicable laws and regulations. Each new engagement of KPMG LLP was approved in advance by the Audit Committee.

SHAREHOLDER PROPOSALS

New Jersey corporate law requires that the notice of shareholders' meeting (for either a regular or special meeting) specify the purpose or purposes of such meeting. Thus, any substantive proposals, including shareholder proposals, must be referred to in Peapack-Gladstone's notice of shareholders' meeting for such proposal to be properly considered at a meeting of Peapack-Gladstone.

Proposals of shareholders which are eligible under the rules of the SEC to be included in Peapack-Gladstone's year 2006 proxy materials must be received by the Secretary of Peapack-Gladstone no later than November 25, 2005.

If Peapack-Gladstone changes its 2006 Annual Meeting date to a date more than 30 days from the date of its 2005 Annual Meeting, then the deadline referred to in the preceding paragraph will be changed to a reasonable time before Peapack-Gladstone begins to print and mail its proxy materials. If Peapack-Gladstone changes the date of its 2006 Annual Meeting in a manner that alters the deadline, Peapack-Gladstone will so state under Item 5 of the first quarterly report on Form 10-Q it files with the SEC after the date change or notify its shareholders by another reasonable means.

OTHER MATTERS WHICH MAY PROPERLY COME BEFORE THE MEETING

The Board of Directors knows of no business that will be presented for consideration at the meeting other than that stated in this proxy statement.

Edgar Filing: PEAPACK GLADSTONE FINANCIAL CORP - Form DEF 14A

Should any other matter properly come before the meeting or any adjournment thereof, it is intended that proxies in the enclosed form will be voted in respect thereof in accordance with the judgment of the person or persons voting the proxies.

WHETHER YOU INTEND TO BE PRESENT AT THE MEETING OR NOT, YOU ARE URGED TO RETURN YOUR SIGNED PROXY PROMPTLY.

By Order of the Board of Directors

FRANK A. KISSEL,
CHAIRMAN

Gladstone, New Jersey
March 25, 2005

PEAPACK-GLADSTONE'S ANNUAL REPORT FOR THE YEAR-ENDED DECEMBER 31, 2004 IS BEING MAILED TO THE SHAREHOLDERS WITH THIS PROXY STATEMENT. HOWEVER, SUCH ANNUAL REPORT IS NOT INCORPORATED INTO THIS PROXY STATEMENT AND IS NOT DEEMED TO BE A PART OF THE PROXY SOLICITING MATERIAL.

19

[X]PLEASE MARK VOTES
AS IN THIS EXAMPLE

REVOCABLE PROXY
PEAPACK-GLADSTONE FINANCIAL CORPORATION

THIS PROXY IS SOLICITED ON BEHALF OF
THE BOARD OF DIRECTORS

The undersigned hereby appoints John D. Kissel, James R. Lamb and Jack D. Stine, or any one of them, as Proxy, each with full power to appoint his substitute and hereby authorizes them to represent and to vote, as designated below, all of the shares of common stock of Peapack-Gladstone Financial Corporation (The "Corporation"), standing in the undersigned's name at the Annual Meeting of Shareholders of the Corporation to be held on April 26, 2005 at 2:00 p.m. or any adjournment thereof. The undersigned hereby revokes any and all proxies heretofore given with respect to the meeting.

		With-	For
		hold	All
1. ELECTION OF THIRTEEN (13) DIRECTORS	For	Authority	Except
	[]	[]	[]

Anthony J. Consi, II	Pamela Hill	T. Leonard Hill	Frank A. Kissel
John D. Kissel	James R. Lamb	Edward A. Merton	F. Duffield Meyercord
John R. Mulcahy	Robert M. Rogers	Philip W. Smith, III	Craig C. Spengeman
Jack D. Stine			

INSTRUCTION: To withhold authority to vote for any individual nominee, mark "For All Except" and write that nominee's name in the space provided below.

Edgar Filing: PEAPACK GLADSTONE FINANCIAL CORP - Form DEF 14A

2. In their discretion, the Proxies are authorized to vote upon such other business as may properly come before the Meeting.

This Proxy, when properly signed will be voted in the manner directed herein by the undersigned shareholder. IF NO DIRECTION is made, this Proxy will be voted "FOR" the election of all thirteen nominees for Director.

PLEASE CHECK BOX IF YOU PLAN TO ATTEND THE MEETING. []

Please sign exactly as names appear above. When shares are held by joint tenants, both should sign. When signing as attorney, as executor, administrator, trustee or guardian, please give full corporate names by President or other authorized officer. If a partnership or limited liability company, please sign in the entity name by an authorized person.

Please be sure to sign and date this Proxy in the box below.	Date	

-----Stockholder sign above-----Co-holder (if any) sign above-----		

Detach above card, sign, date and mail in postage paid envelope provided.

PEAPACK-GLADSTONE FINANCIAL CORPORATION

PLEASE ACT PROMPTLY
SIGN, DATE &MAIL YOUR PROXY CARD TODAY

IF YOUR ADDRESS HAS CHANGED, PLEASE CORRECT THE ADDRESS IN THE SPACE PROVIDED BELOW AND RETURN THIS PORTION WITH THE PROXY IN THE ENVELOPE PROVIDED.

