SI Financial Group, Inc.
Form DEF 14A
April 02, 2014
Table of Contents

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

(Amendment No.)

Filed by the Registrant x 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))**

x Definitive Proxy Statement

¨ Definitive Additional Materials

¨ Soliciting Material Pursuant to §240.14a-12

SI FINANCIAL GROUP, INC.

(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):

x 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:

N/A

(2) Aggregate number of securities to which transactions applies:

N/A

(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):

N/A

(4) Proposed maximum aggregate value of transaction:

N/A

(5) Total fee paid:

N/A

¨ 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 for 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:

N/A

(2) Form, Schedule or Registration Statement No.:

N/A

(3) Filing Party:

N/A

(4) Date Filed:

N/A

Table of Contents

April 2, 2014

Dear Stockholder:

You are cordially invited to attend the annual meeting of stockholders of SI Financial Group, Inc. (the Company). The meeting will be held at the Savings Institute Bank and Trust Company Financial Center, 579 North Windham Road, North Windham, Connecticut on Wednesday, May 14, 2014 at 9:00 a.m., local time.

The notice of annual meeting and proxy statement appearing on the following pages describe the formal business to be transacted at the meeting. During the meeting, we will also report on the operations of the Company. Directors and officers of the Company, as well as a representative of Wolf & Company, P.C., the Company s independent registered public accounting firm, will be present to respond to appropriate questions of stockholders.

It is important that your shares are represented at this meeting, whether or not you attend the meeting in person and regardless of the number of shares you own. To make sure your shares are represented, we urge you to complete and mail the proxy card provided to you.

We look forward to seeing you at the meeting.

Sincerely,

Rheo A. Brouillard
President and Chief Executive Officer

Table of Contents

803 MAIN STREET

WILLIMANTIC, CONNECTICUT 06226

(860) 423-4581

NOTICE OF 2014 ANNUAL MEETING OF STOCKHOLDERS

TIME AND DATE	9:00 a.m., local time, on Wednesday, May 14, 2014
PLACE	The Savings Institute Bank and Trust Company Financial Center 579 North Windham Road North Windham, Connecticut
ITEMS OF BUSINESS	(1) To elect four directors to serve for a term of three years. (2) To ratify the selection of Wolf & Company, P.C. as our independent registered public accounting firm for the fiscal year ending December 31, 2014. (3) An advisory vote to approve the compensation of the Company s named executive officers as disclosed in this proxy statement. (4) To transact such other business as may properly come before the meeting and any adjournment or postponement of the meeting.
RECORD DATE	To vote, you must have been a stockholder at the close of business on March 12, 2014.
PROXY VOTING	It is important that your shares be represented and voted at the meeting. You can vote your shares by completing and returning the proxy or voting instruction card provided to you. Voting instructions are printed on your proxy or voting instruction card and included in the accompanying proxy statement. A printed proxy card for the annual meeting and a self-addressed envelope will be mailed to all stockholders of record on or about April 12, 2014. You can revoke a proxy at any time before its exercise at the meeting by following the instructions in this proxy statement.

Laurie L. Gervais
Corporate Secretary
April 2, 2014

Table of Contents

SI Financial Group, Inc.

Proxy Statement

Table of Contents

Table of Contents

SI FINANCIAL GROUP, INC.

PROXY STATEMENT

General Information

We are providing this proxy statement to you in connection with the solicitation of proxies by the Board of Directors of SI Financial Group, Inc. for the 2014 annual meeting of stockholders and for any adjournment or postponement of the meeting. In this proxy statement, we may also refer to SI Financial Group, Inc. as SI Financial, the Company, we, our or us.

SI Financial is the holding company for Savings Institute Bank and Trust Company. In this proxy statement, we may also refer to Savings Institute Bank and Trust Company as Savings Institute or the Bank.

We are holding the 2014 annual meeting at the Savings Institute Bank and Trust Company Financial Center, 579 North Windham Road, North Windham, Connecticut on Wednesday, May 14, 2014 at 9:00 a.m., local time.

We intend to provide access to this proxy statement and a proxy card to stockholders of record beginning on or about April 2, 2014.

Important Notice Regarding the Availability of Proxy Materials

for the 2014 Annual Meeting of Stockholders to be held on May 14, 2014

This proxy statement and our 2013 Annual Report are available electronically at www.cfpproxy.com/6954. On this website, the Company also posts the 2013 Annual Report on Form 10-K, as filed with the Securities and Exchange Commission.

Information About Voting

Who Can Vote at the Meeting

You are entitled to vote the shares of SI Financial common stock that you owned as of the close of business on March 12, 2014. As of the close of business on that date, 12,798,574 shares of SI Financial common stock were outstanding. Each share of common stock has one vote on each matter presented to shareholders.

Ownership of Shares; Attending the Meeting; Voting

You may own shares of SI Financial in one of the following ways:

Directly in your name as the stockholder of record;

Indirectly through a broker, bank or other holder of record in street name ; or

Indirectly through: (1) the SI Financial Group, Inc. Stock Fund (the Stock Fund) in the Savings Institute Bank and Trust Company Profit Sharing and 401(k) Savings Plan (the 401(k) Plan); (2) the Savings Institute Bank and Trust Company Employee Stock Ownership Plan and Trust (the ESOP); and/or the trust that holds restricted stock awards issued under the SI Financial Group, Inc. 2005 Equity Incentive Plan (the 2005 Plan and the SI Financial Group, Inc. 2012 Equity Incentive Plan (the 2012 Plan and together with the 2005 Plan, the Equity Incentive Plans).

1

Table of Contents

If your shares are registered directly in your name, you are the holder of record of these shares and have the right to give your proxy directly to us or to vote in person at the meeting.

If you hold your shares in street name, your broker, bank or other holder of record is sending these proxy materials to you. As the beneficial owner, you have the right to direct your broker, bank or other holder of record how to vote by filling out a voting instruction form that accompanies your proxy materials. Your broker, bank or other holder of record may allow you to provide voting instructions by telephone or the Internet. Please see the instruction form provided by your broker, bank or other holder of record that accompanies this proxy statement. If you hold your shares in street name, you will need proof of ownership to be admitted to the meeting. A recent brokerage statement or letter from a bank or broker are examples of proof of ownership. If you want to vote your shares of SI Financial common stock held in street name in person at the meeting, you must obtain a written proxy in your name from the broker, bank or other nominee who is the record holder of your shares.

See *Participants in the ESOP, 401(k) Plan or Equity Incentive Plans* for a discussion of voting rights under those plans.

Quorum and Vote Required

Quorum. We will have a quorum and be able to conduct the business of the annual meeting if the holders of a majority of the outstanding shares of common stock entitled to vote are present at the meeting, either in person or by proxy. If you return valid proxy instructions or attend the meeting in person, we will count your shares to determine whether there is a quorum, even if you abstain from voting. Broker non-votes also will be counted to determine the existence of a quorum.

Votes Required for Proposals. At this year s annual meeting, stockholders will be asked to elect four directors to serve a term of three years. In voting on the election of directors, you may vote in favor of the nominees, withhold votes as to all nominees or withhold votes as to any nominee. There is no cumulative voting for the election of directors. Directors must be elected by a plurality of the votes cast at the annual meeting. This means that the nominees receiving the greatest number of votes will be elected. Votes that are withheld and broker non-votes will have no effect on the outcome of the election.

In voting on the ratification of the appointment of Wolf & Company, P.C. as the Company s independent registered public accounting firm or on the advisory vote to approve the compensation of the Company s named executive officers, you may vote in favor of the proposal, vote against the proposal or abstain from voting. The affirmative vote of a majority of the votes cast is required to approve each of these proposals. Abstentions and broker non-votes will have no effect on the proposals.

Effect of Not Casting Your Vote. If you hold your shares in street name it is critical that you cast your vote if you want it to count in the election of directors (Item 1 of this Proxy Statement) or with respect to the advisory vote regarding the compensation of our named executive officers (Item 3 of this Proxy Statement). Current regulations restrict the ability of your bank or broker to vote your shares in the election of directors and other matters on a discretionary basis. Thus, if you hold your shares in street name and you do not instruct your bank or broker how to vote in the election of directors or for the advisory vote regarding the compensation of our named executive officers, no votes will be cast on your behalf. These are referred to as broker non-votes. Your bank or broker does, however, continue to have discretion to vote any shares for which you do not provide instructions on how to vote on the ratification of the appointment of the Company s independent registered public accounting firm (Item 2 of this Proxy Statement).

2

Table of Contents

Voting by Proxy

The Board of Directors of SI Financial is requesting that you allow your shares of SI Financial common stock to be represented at the annual meeting by the persons named in the proxy card. All shares of SI Financial common stock represented at the annual meeting by properly executed and dated proxy cards will be voted according to the instructions indicated on the proxy card. If you sign, date and return a proxy card without giving voting instructions, your shares will be voted as recommended by the Company s Board of Directors. The Board of Directors recommends a vote:

- **FOR** each of the nominees for director;
- **FOR** ratification of Wolf & Company, P.C. as the independent registered public accounting firm; and
- **FOR** approval of the compensation of the named executive officers.

If you received a notice and wish to receive a paper copy of the proxy card, you can obtain a copy by:

- Calling (800) 951-2405;
- Visiting http://www.cfpproxy.com/6954; or
- E-mailing fulfillment@rtco.com and entering the Stockholder Control Number located on the notice when prompted or entering the Stockholder Control Number in the subject line.

If any matters not described in this proxy statement are properly presented at the annual meeting, the persons named in the proxy card will use their judgment to determine how to vote your shares. This includes a motion to adjourn or postpone the annual meeting to solicit additional proxies. If the annual meeting is postponed or adjourned, your SI Financial common stock may be voted by the persons named in the proxy card on the new annual meeting date as well, unless you have revoked your proxy. We do not know of any other matters to be presented at the annual meeting.

You may revoke your proxy at any time before the vote is taken at the meeting. To revoke your proxy, you must either advise the Corporate Secretary of the Company in writing before your common stock has been voted at the annual meeting, deliver a later dated proxy or attend the meeting and vote your shares in person. Attendance at the annual meeting will not in itself constitute revocation of your proxy.

Participants in the ESOP, 401(k) Plan and Equity Incentive Plans

If you participate in the ESOP, if you invest in SI Financial common stock through the Stock Fund in the 401(k) Plan or if you are a participant in the Equity Plans, you will receive a voting instruction card for each plan that will reflect all the shares that you may direct the trustees to vote on your behalf under the respective plans. Under the terms of the ESOP, all allocated shares of SI Financial common stock held by the ESOP are voted by the ESOP trustee, as directed by plan participants. All unallocated shares of SI Financial common stock held by the ESOP and all allocated shares for which no timely voting instructions are received are voted by the ESOP trustee in the same proportion as shares for which the trustee received voting instructions from other plan participants, subject to the exercise of its fiduciary duties. Under the terms of the 401(k) Plan, participants may direct the Stock Fund trustee how to vote the shares credited to their accounts. The Stock Fund trustee will vote all shares for which it does not receive timely instructions from participants in the same proportion as shares for which the trustee received voting instructions from other plan participants. Under the Equity Incentive Plans, participants may direct the plan trustee how to vote the unvested shares of restricted stock awards. The plan trustee will vote all shares held in the trust for which it does not receive timely instructions as directed by SI Financial. **The deadline for returning your voting instruction cards is May 5, 2014.**

Table of Contents

Corporate Governance and Board Matters

Director Independence

The Company s Board of Directors currently consists of ten members, all of whom are independent under the listing standards of The NASDAQ Stock Market, except for Rheo A. Brouillard and Kevin M. McCarthy. Mr. Brouillard is not independent because he is President and Chief Executive Officer of SI Financial and Savings Institute. Mr. McCarthy is not independent as a result of the terms of the consulting agreement that the Company entered into with Mr. McCarthy in connection with the Company s acquisition of Newport Bancorp, Inc. in September 2013. In determining the independence of its directors, the Board considered transactions, relationships and arrangements between the Company and its directors that are not required to be disclosed in this proxy statement under the heading *Transactions with Related Persons,* including loans or lines of credit that the Bank has directly or indirectly made to Directors Mark D. Alliod, Roger Engle and Robert O. Gillard.

Board Leadership Structure and Board s Role in Risk Oversight

The Board of Directors has determined that the separation of the offices of Chairman of the Board and President and Chief Executive Officer will enhance Board independence and oversight. Moreover, the separation of the Chairman of the Board and President and Chief Executive Officer will allow the President and Chief Executive Officer to better focus on his responsibilities of running the Company, enhancing stockholder value and expanding and strengthening our franchise while allowing the Chairman of the Board to lead the Board in its fundamental role of providing advice to and independent oversight of management. Consistent with this determination, Henry P. Hinckley serves as Chairman of the Board of Directors. Mr. Hinckley is independent under the listing requirements of The NASDAQ Stock Market.

Risk is inherent with every business, and how well a business manages risk can ultimately determine its success. We face a number of risks, including credit risk, interest rate risk, liquidity risk, operational risk, strategic risk and reputation risk. Management is responsible for the day-to-day management of risks the Company faces, while the Board, as a whole and through its committees, has responsibility for the oversight of risk management. In its risk oversight role, the Board of Directors has the responsibility to satisfy itself that the risk management processes designed and implemented by management are adequate and functioning as designed. To do this, the Chairman of the Board meets regularly with management to discuss strategy and the risks facing the Company. Senior management attends the Board meetings and is available to address any questions or concerns raised by the Board on risk management and any other matters. The Chairman of the Board and independent members of the Board work together to provide strong, independent oversight of the Company s management and affairs through its standing committees and, when necessary, special meetings of independent directors.

Corporate Governance Policies

The Board of Directors has adopted a corporate governance policy to govern certain activities, including: the duties and responsibilities of directors; the composition, responsibilities and operation of the Board of Directors and its committees; succession planning; convening executive sessions of independent directors; the Board of Directors interaction with management and third parties; and the evaluation of the performance of the Board of Directors and of the Chief Executive Officer.

Table of Contents

Committees of the Board of Directors

The following table identifies the Company s standing committees and their members as of March 12, 2014. All members of each committee are independent in accordance with the listing requirements of The NASDAQ Stock Market. Each committee operates under a written charter that is approved by the Board of Directors that governs its composition, responsibilities and operation. Each committee reviews and reassesses the adequacy of its charter at least annually. The charters of all three committees are available in the Governance Documents portion of the Investor Relations section of the Company s Web site (www.mysifi.com).

Director	Audit and Risk Committee	Compensation Committee	Nominating and Corporate Governance Committee
Mark D. Alliod	X*	X	X
Rheo A. Brouillard			
Roger Engle		X*	X
Donna M. Evan		X	X*
Michael R. Garvey	X		
Robert O. Gillard	X		
William R. Harvey		X	X
Henry P. Hinckley		X	X
Kevin M. McCarthy			
Kathleen A. Nealon	X		
Number of meetings in 2013	4	8	5

* Chairperson

Audit and Risk Committee. The Audit and Risk Committee meets periodically with the independent registered public accounting firm and management to review accounting, auditing, internal control structure and financial reporting matters. The committee also receives and reviews the reports and findings and other information presented to them by the Company s officers regarding financial reporting policies and practices. The Audit and Risk Committee selects the independent registered public accounting firm and meets with them to discuss the results of the annual audit and any related matters. The Board of Directors has determined that Mr. Alliod and Mr. Garvey are audit committee financial experts under the rules of the Securities and Exchange Commission. Mr. Alliod and Mr. Garvey are independent under the listing standards of The NASDAQ Stock Market applicable to audit committee members.

Compensation Committee. The Compensation Committee approves the compensation objectives for the Company and the Bank, establishes the compensation for the President and Chief Executive Officer and other executives and establishes personnel policies. The Compensation Committee reviews all components of compensation including base salary, bonus, equity compensation, benefits and other perquisites. In addition to reviewing competitive market values, the Compensation Committee also examines the total compensation mix, pay-for-performance relationship and how all elements, in the aggregate, comprise the executives total compensation package. The Chief Executive Officer makes recommendations to the Compensation Committee from time to time regarding the appropriate mix and level of compensation for other officers. Those recommendations consider the objectives of the compensation philosophy and the range of compensation programs authorized by the Compensation Committee. Decisions by the Compensation Committee with respect to the compensation of executive officers are approved by the full Board of Directors. The Compensation Committee also assists the Board of Directors in evaluating potential candidates for executive positions.

Table of Contents

Consistent with applicable Securities and Exchange Commission disclosure requirements, we have assessed our compensation programs and have concluded that our compensation policies and practices do not create risks that are reasonably likely to have a material adverse effect on the Company. The Compensation Committee assessed the Company s executive and broad-based compensation and benefits to determine if the programs provisions and operations create undesired or unintentional risk of a material nature. This risk assessment process included: a review of program policies and practices; program analysis to identify risk and risk control related to the programs; and determinations as to the sufficiency of risk identification, the balance of potential risk to potential reward, risk control and the support of the programs and their risks to Company strategy. Although we reviewed all compensation programs, we focused on the programs with variability of payout, with the ability of a participant to directly affect payout and the controls on participant action and payout.

Based on the foregoing, we believe that our compensation policies and practices do not create inappropriate or unintended significant risk to the Company as a whole. We also believe that our incentive compensation arrangements: provide incentives that do not encourage risk-taking beyond the organization s ability to effectively identify and manage significant risks; are compatible with effective internal controls; and are supported by the oversight and administration of the Compensation Committee with regard to executive compensation programs.

The Compensation Committee, in conjunction with the Nominating and Corporate Governance Committee, considers the appropriate levels and form of director compensation and makes recommendations to the Board of Directors regarding director compensation.

Nominating and Corporate Governance Committee. The Nominating and Corporate Governance Committee takes a leadership role in shaping governance policies and practices, including recommending to the Board of Directors the corporate governance policies and guidelines applicable to SI Financial and monitoring compliance with these policies and guidelines. In addition, the Nominating and Corporate Governance Committee is responsible for identifying individuals qualified to become Board members and recommending to the Board the director nominees for election at the next annual meeting of stockholders. It recommends director candidates for each committee for appointment by the Board.

Minimum Qualifications. The Nominating and Corporate Governance Committee has adopted a set of criteria that it considers when it selects individuals to be nominated for election to the Board of Directors. A candidate must meet the eligibility requirements set forth in the Company s bylaws, which include an age limitation and a requirement that the candidate not have been subject to certain criminal or regulatory actions. A candidate also must meet any qualification requirements set forth in any Board or committee governing documents.

If the candidate is deemed eligible for election to the Board of Directors, the Nominating and Corporate Governance Committee will then evaluate the prospective nominee to determine if he or she possesses the following qualifications, qualities or skills:

- contributions to the range of talent, skill and expertise appropriate for the Board;

- financial, regulatory and business experience, knowledge of the banking and financial service industries, familiarity with the operations of public companies and ability to read and understand financial statements;

familiarity with the Company s market area and participation in and ties to local businesses and local civic, charitable and religious organizations;

personal and professional integrity, honesty and reputation;

- the ability to represent the best interests of the stockholders of the Company and the best interests of the institution;
- the ability to devote sufficient time and energy to the performance of his or her duties;
- independence under applicable Securities and Exchange Commission and listing definitions; and
- current equity holdings in the Company.

The Committee will also consider any other factors it deems relevant, including age, size of the Board of Directors and regulatory disclosure obligations. Further, when identifying nominees to serve as director, the Nominating and Corporate Governance Committee considers its desire to maintain a Board that is strong in its collective knowledge and has a diversity of skills and experience with respect to accounting and finance, management and leadership, vision and strategy, business operations, business judgment, industry knowledge and corporate governance.

In addition, before nominating an existing director for re-election to the Board of Directors, the Nominating and Corporate Governance Committee will consider and review an existing director s Board and Committee attendance and performance; length of Board service; the experience, skills and contributions that the existing director brings to the Board; and independence.

Director Nomination Process. The Nominating and Corporate Governance Committee adheres to the following process when it identifies and evaluates individuals to be nominated for election to the Board of Directors:

For purposes of identifying nominees for the Board of Directors, the Nominating and Corporate Governance Committee relies on personal contacts of the Committee members and other members of the Board of Directors, as well as its knowledge of members of Savings Institute s local communities. The Nominating and Corporate Governance Committee will also consider director candidates recommended by stockholders in accordance with the policy and procedures set forth below. The Nominating and Corporate Governance Committee has not previously used an independent search firm in identifying nominees.

In evaluating potential nominees, the Nominating and Corporate Governance Committee determines whether the candidate is eligible and qualified for service on the Board of Directors by evaluating the candidate under the selection criteria set forth above. In addition, the Nominating and Corporate Governance Committee will conduct a check of the individual s background and interview the candidate.

Consideration of Recommendations by Stockholders. It is the policy of the Nominating and Corporate Governance Committee of the Board of Directors of the Company to consider director candidates recommended by stockholders who appear to be qualified to serve on the Company s Board of Directors. The Nominating and Corporate Governance Committee may choose not to consider an unsolicited recommendation if no vacancy exists on the Board of Directors and the Nominating and Corporate Governance Committee does not perceive a need to increase the size of the Board of Directors. To avoid the unnecessary use of the Nominating and Corporate Governance Committee s resources, the Nominating and Corporate Governance Committee will consider only those director candidates recommended in accordance with the procedures set forth below.

Procedures to be Followed by Stockholders. To submit a recommendation of a director candidate to the Nominating and Corporate Governance Committee, a stockholder should submit the following information in writing, addressed to the Chairperson of the Nominating and Corporate Governance Committee, care of the Corporate Secretary, at the main office of the Company:

1. The name of the person recommended as a director candidate;

Table of Contents

2. All information relating to such person that is required to be disclosed in solicitations of proxies for election of directors pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended;

3. The written consent of the person being recommended as a director candidate to being named in the proxy statement as a nominee and to serving as a director if elected;

4. As to the stockholder making the recommendation, the name and address, as they appear on the Company s books, of such stockholder; provided, however, that if the stockholder is not a registered holder of the Company s common stock, the stockholder should submit his or her name and address along with a current written statement from the record holder of the shares that reflects ownership of the Company s common stock; and

5. A statement disclosing whether such stockholder is acting with or on behalf of any other person and, if applicable, the identity of such person.

In order for a director candidate to be considered for nomination at the Company s annual meeting of stockholders, the recommendation must be received by the Nominating and Corporate Governance Committee at least 120 calendar days before the date the Company s proxy statement was released to stockholders in connection with the previous year s annual meeting, advanced by one year.

Directors Compensation

The following table provides the compensation received by individuals who served as non-employee directors of SI Financial during 2013. The table excludes perquisites, which did not exceed $10,000 in the aggregate, for each director.

Name	*Fees Earned or Paid in Cash ($)*	*Stock Awards ($)(1)*	*Option Awards ($)(2)*	*Nonqualified Deferred Compensation Earnings ($)(3)*	*All Other Compensation ($)(4)*	*Total ($)*
Mark D. Alliod	$ 35,200	$	$	$ 4,788	$ 386	$ 40,374
Roger Engle	37,600				349	37,949
Donna M. Evan	35,600				349	35,949
Michael R. Garvey	33,200				368	33,568
Robert O. Gillard	34,400			9,930	349	44,679
William R. Harvey	8,200					8,200
Henry P. Hinckley	48,000				581	48,581
Kevin M. McCarthy	8,200				468,546	476,746
Kathleen A. Nealon	7,800					7,800

(1) See footnote 1 to the directors and executive officers stock ownership table under *Stock Ownership* for the number of unvested shares of restricted stock and performance awards held in trust under the Equity Incentive

Plans for each director at December 31, 2013.

(2) As of December 31, 2013, Messrs. Alliod, Engle, Gillard and Ms. Evan each held stock options to purchase 17,962 shares of SI Financial s common stock, Mr. Garvey held stock options to purchase 8,981 shares of SI Financial s common stock and Mr. Hinckley held stock options to purchase 22,452 shares of SI Financial s common stock.

(3) Reflects the above market earnings on the deferred fee arrangements between Savings Institute and Messrs. Alliod and Gillard. Under the terms of the arrangements, Messrs. Alliod and Gillard defer a portion of their director fees.

(4) Reflects dividends paid on unvested restricted stock awards for all directors except for Mr. McCarthy. Mr. McCarthy s payments reflect amounts paid under his consulting and non-competition agreements.

Table of Contents

Cash Retainer and Meeting Fees for Non-Employee Directors. The following table sets forth the applicable retainers and fees to be paid to non-employee directors for their service on Savings Institute s and SI Financial s Board of Directors during 2013.

Quarterly Retainer (for service on SI Financial s Board of Directors)	$ 2,000
Monthly Retainer (for service on Savings Institute s Board of Directors)	1,000
Monthly Retainer for Savings Institute s Chairman of the Board	2,000
Fee per Board or Committee Meeting	400

Board and Committee Meetings

During the year ended December 31, 2013, the Board of Directors of the Company and the Bank held four and 16 meetings, respectively. No director attended fewer than 75% of the meetings of the Board of Directors and Board committees on which they served in 2013.

Director Attendance at Annual Meeting of Stockholders

While the Company has no formal policy on director attendance at annual meetings of stockholders, directors are encouraged to attend. Each of the directors attended the 2013 annual meeting of stockholders.

Code of Ethics and Business Conduct

SI Financial has adopted a Code of Ethics and Business Conduct that is designed to ensure that the Company s directors and employees meet the highest standards of ethical conduct. The Code of Ethics and Business Conduct, which applies to all employees and directors, addresses conflicts of interest, the treatment of confidential information, general employee conduct and compliance with applicable laws, rules and regulations. In addition, the Code of Ethics and Business Conduct is designed to deter wrongdoing and promote honest and ethical conduct, the avoidance of conflicts of interest, full and accurate disclosure and compliance with all applicable laws, rules and regulations.

Audit-Related Matters

Audit and Risk Committee Report

The Company s management is responsible for the Company s internal control over financial reporting. The Company s independent registered public accounting firm is responsible for performing an independent audit of the Company s consolidated financial statements and issuing an opinion on the conformity of those financial statements with U.S. generally accepted accounting principles. The independent registered public accounting firm is also responsible for issuing an opinion on the Company s internal control over financial reporting based on criteria issued by the Committee on Sponsoring Organizations of the Treadway Commission. The Audit and Risk Committee oversees the Company s internal control over financial reporting on behalf of the Board of Directors.

In this context, the Audit and Risk Committee has met and held discussions with management and the independent registered public accounting firm. Management represented to the Audit and Risk Committee that the Company s consolidated financial statements were prepared in accordance with U.S. generally accepted accounting principles, and the Audit and Risk Committee has reviewed and discussed the consolidated financial statements with management and the Company s independent registered public accounting firm. The Audit and Risk Committee discussed with the independent registered public accounting firm the matters required to be discussed 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, including the quality, not just the acceptability, of the accounting principles, the reasonableness of significant judgments and the clarity of the disclosures in the financial statements.

Table of Contents

In addition, the Audit and Risk Committee has received the written disclosures and the letter from the independent registered public accounting firm required by the applicable requirements of the Public Company Accounting Oversight Board regarding the independent registered public accounting firm s communications with the Audit and Risk Committee concerning independence and has discussed with the independent registered public accounting firm the firm s independence from the Company and its management. In concluding that the independent registered public accounting firm is independent, the Audit and Risk Committee considered, among other factors, whether the non-audit services provided by the firm were compatible with its independence.

The Audit and Risk Committee discussed with the Company s independent registered public accounting firm the overall scope and plans for their audit. The Audit and Risk Committee meets with the independent registered public accounting firm, with and without management present, to discuss the results of their examination, their evaluation of the Company s internal control over financial reporting and the overall quality of the Company s financial reporting process.

In performing all of these functions, the Audit and Risk Committee acts only in an oversight capacity. In its oversight role, the Audit and Risk Committee relies on the work and assurances of the Company s management, which has the primary responsibility for financial statements and reports, and of the independent registered public accounting firm that, in its report, express an opinion on the conformity of the Company s financial statements with U.S. generally accepted accounting principles. The Audit and Risk Committee s oversight does not provide it with an independent basis to determine that management has maintained appropriate accounting and financial reporting principles or policies, or appropriate internal control over financial reporting designed to assure compliance with accounting standards and applicable laws and regulations. Furthermore, the Audit and Risk Committee s considerations and discussions with management and the independent registered public accounting firm do not assure that the Company s financial statements are presented in accordance with U.S. generally accepted accounting principles, that the audit of the Company s financial statements has been carried out in accordance with the standards of the Public Company Accounting Oversight Board (United States) or that the Company s independent registered public accounting firm is independent.

In reliance on the reviews and discussions referred to above, the Audit and Risk Committee recommended to the Board of Directors, and the Board has approved, that the audited consolidated financial statements be included in the Company s Annual Report on Form 10-K for the year ended December 31, 2013 for filing with the Securities and Exchange Commission. The Audit and Risk Committee has appointed, subject to stockholder ratification, the selection of the Company s independent registered public accounting firm for the fiscal year ending December 31, 2014.

Audit and Risk Committee of the Board of Directors

of SI Financial Group, Inc.

Mark D. Alliod Chairperson

Michael R. Garvey

Robert O. Gillard

Kathleen A. Nealon

Table of Contents

Audit Fees. The following table sets forth the fees billed to the Company for the years ended December 31, 2013 and 2012 by Wolf & Company, P.C.:

	2013	2012
Audit Fees	$ 243,776	$ 220,081
Audit-Related Fees(1)	34,348	33,041
Tax Fees(2)	56,500	36,015
All Other Fees(3)	69,830	4,900

(1) Represents fees for audits of the 401(k) Plan and the ESOP.
(2) Represents services rendered for tax compliance, tax advice and tax planning, including the preparation of the annual tax returns and quarterly tax payments. Also, for 2013, includes the final tax return preparation for Newport Bancorp, Inc.
(3) For 2013, represents services rendered in connection with the acquisition of Newport Bancorp, Inc. and related filings on Form S-4. For 2012, represents services rendered in connection with the filing of a registration statement on Form S-8 for the Company s 2012 Equity Incentive Plan.

Policy on Audit and Risk Committee Pre-Approval of Audit and Permissible Non-Audit Services by the Independent Registered Public Accounting Firm. The Audit and Risk Committee is responsible for appointing, setting compensation and overseeing the work of the independent registered public accounting firm. In accordance with its charter, the Audit and Risk Committee approves, in advance, all audit and permissible non-audit services to be performed by the independent registered public accounting firm. Such approval process ensures that the independent registered public accounting firm does not provide any non-audit services to the Company that are prohibited by law or regulation.

In addition, the Audit and Risk Committee has established a policy regarding pre-approval of all audit and permissible non-audit services provided by the independent registered public accounting firm. Requests for services by the independent registered public accounting firm for compliance with the auditor services policy must be specific as to the particular services to be provided.

The request may be made with respect to either specific services or a type of service for predictable or recurring services.

During the year ended December 31, 2013, all services were approved, in advance, by the Audit and Risk Committee in compliance with these procedures.

Table of Contents

Stock Ownership

The following table provides information as of March 12, 2014 with respect to persons and entities known to the Company to be the beneficial owner of more than 5% of the Company s outstanding common stock. A person or entity may be considered to beneficially own any shares of common stock over which the person or entity has, directly or indirectly, sole or shared voting or investing power.

Name and Address	Number of Shares Owned	Percent of Common Stock Outstanding
Thomson Horstmann & Bryant Inc. 501 Merritt 7 Norwalk, Connecticut 06851	1,131,419(1)	8.8%
Wellington Management Company, LLP 280 Congress Street Boston, Massachusetts 02210	1,061,649(2)	8.3%
Savings Institute Bank & Trust Company Employee Stock Ownership Plan 803 Main Street Willimantic, Connecticut 06226	770,584(3)	6.0%
EJF Capital LLC Emanuel J. Friedman EJF Financial Services Fund, LP EJF Financial Services GP, LLC 2107 Wilson Boulevard, Suite 410 Arlington, Virginia 22201	713,651(4)	5.6%

(1) Based on information contained in a Schedule 13G filed with the U.S. Securities and Exchange Commission on February 6, 2014.
(2) Based on information contained in a Schedule 13G/A filed with the U.S. Securities and Exchange Commission on February 14, 2014.

(3) Based on information contained in a Schedule 13G/A filed with the U.S. Securities and Exchange Commission on February 11, 2014.

(4) Based on information contained in a Schedule 13G/A filed with the U.S. Securities and Exchange Commission on February 14, 2014.

Table of Contents

The following table provides information as of March 12, 2014 about the shares of SI Financial common stock that may be considered to be owned by each director, each executive officer named in the Summary Compensation Table and by all directors and executive officers of the Company as a group. A person may be considered to own any shares of common stock over which he or she has, directly or indirectly, sole or shared voting or investment power. Unless otherwise indicated, each of the named individuals has sole voting and investment power with respect to the shares shown. The number of shares beneficially owned by all directors and executive officers as a group totaled 6.8% of our outstanding common stock as of March 12, 2014. Each director and named executive officer owned less than 1.0% of our outstanding common stock as of that date, except for Mr. Brouillard and Mr. Hull who owned 1.5% and 1.0%, of our common stock, respectively.

Name	Number of Shares Owned(1)	Number of Shares That May Be Acquired Within 60 Days By Exercising Options	Total
Directors			
Mark D. Alliod	13,347(2)	17,962	31,309
Rheo A. Brouillard	84,012(3)	112,994	197,006
Roger Engle	19,478(4)	17,962	37,440
Donna M. Evan	21,961	17,962	39,923
Michael R. Garvey	9,669	8,981	18,650
Robert O. Gillard	24,140(5)	17,962	42,102
William R. Harvey	18,173		18,173
Henry P. Hinckley	20,892	22,452	43,344
Kevin M. McCarthy	123,226		123,226
Kathleen A. Nealon	3,781		3,781
Named Executive Officers Who Are Not Also Directors			
Laurie L. Gervais	51,353(6)	36,841	88,194
Brian J. Hull	79,038(7)	52,016	131,054
Paul R. Little	12,977	4,400	17,377
Michael J. Moran	16,356	32,943	49,299
David T. Weston	3,093		3,093
All Directors and Executive Officers as a group (17 persons)	528,402	360,457	888,859

(1) This column includes the following:

	Unvested Shares of Restricted Stock and Performance Awards Held in Trust	Allocated Shares Held in ESOP Trust	Shares Held in Trust in 401(k) Plan

Mr. Alliod	2,617		
Mr. Brouillard	32,500	8,216	177
Mr. Engle	2,437		
Ms. Evan	2,437		
Mr. Garvey	2,527		
Mr. Gillard	2,437		
Mr. Harvey			
Mr. Hinckley	4,062		
Mr. McCarthy			
Ms. Nealon			
Ms. Gervais	16,250	4,937	18,301
Mr. Hull	20,312	7,586	17,765
Mr. Little	9,526	1,965	
Mr. Moran		5,436	
Mr. Weston			

(2) Includes 1,212 shares held by Mr. Alliod s daughter, 250 shares held by the individual retirement account of Mr. Alliod s daughter and 2,229 shares held by the individual retirement account of Mr. Alliod s spouse.

(3) Includes 898 shares held by Mr. Brouillard s spouse and 2,659 shares held by the individual retirement account of Mr. Brouillard s spouse.

(4) Includes 22 shares and 43 shares held in a custodian account for Mr. Engle s two children, under which Mr. Engle s spouse has voting and investment power.

(5) Includes 3,959 shares held by the individual retirement account of Mr. Gillard s spouse.

(6) Includes 449 shares held in custodian accounts for each of Ms. Gervais two children.

(7) Includes an aggregate of 898 shares held in custodian accounts for two of Mr. Hull s children.

Table of Contents

Items to be Voted on by Stockholders

Item 1 Election of Directors

The Company s Board of Directors consists of ten members. The Board is divided into three classes with three-year staggered terms, with approximately one-third of the directors elected each year. The Board of Directors nominees for election this year, to serve for a three-year term or until their respective successors have been elected and qualified, are Mark D. Alliod, Michael R. Garvey, Robert O. Gillard and Kathleen A. Nealon.

It is intended that the proxies solicited by the Board of Directors will be voted for the election of the nominees named above. If any of the nominees is unable to serve, the persons named in the proxy card will vote your shares to approve the election of any substitute nominee proposed by the Board of Directors. At this time, the Board of Directors knows of no reason why any of the nominees might be unable to serve.

The Board of Directors recommends a vote FOR the election of all of the nominees.

Information regarding the nominees and the directors continuing in office is provided below. Unless otherwise stated, each individual has held his or her current occupation for the last five years. The age indicated in each individual s biography is as of December 31, 2013. There are no family relationships among the directors or executive officers. The indicated period for service as a director includes service as a director of Savings Institute.

Board Nominees for Terms Ending in 2017

Mark D. Alliod is the President and sole owner of Mark D. Alliod CPA PC, a public accounting firm in South Windsor, Connecticut. Age 50. Director since 2005.

Mr. Alliod provides expertise with regard to tax, financial and accounting matters. Also, as owner of an accounting firm, Mr. Alliod brings small business knowledge and management experience. He has the background to qualify as SI Financial s audit committee financial expert.

Michael R. Garvey is a principal and owner of the public accounting firm of Garvey & Associates, LLC, which provides audit and tax services throughout Connecticut. As a principal of an accounting firm, Mr. Garvey is responsible for monitoring the firm s risk management, strategic plan and overall firm operations. Mr. Garvey is also a principal and owner of Professional Payrolls, LLC, which provides payroll processing services to small, local businesses in New London, Connecticut. Age 49. Director since 2007.

Mr. Garvey is a certified public accountant and has the financial background and expertise in financial accounting, auditing and tax matters to qualify as an audit committee financial expert. In addition, Mr. Garvey possesses substantial small company management experience as the owner of Professional Payrolls, LLC.

Robert O. Gillard is the Chairman and owner of the O.L. Willard Company, Inc., a material supply company with locations in Storrs and Willimantic, Connecticut. Age 67. Director since 1999.

Mr. Gillard s career as a small business executive provides SI Financial with organizational understanding and expertise. Further, through his business, Mr. Gillard has gained comprehensive knowledge of the homebuilding industry throughout Eastern Connecticut, which aids the Board in its oversight of the lending function. In addition, as an active member of the community, including being a member of the Design Review subcommittee of the Mansfield Planning Board and his previous service on the Greater Windham Community Foundation, Mr. Gillard is knowledgeable of the local consumer environment.

Table of Contents

Kathleen A. Nealon, a certified public accountant, is the Chief Financial Officer and a manager in the Professional Planning Group, a Westerly, Rhode Island-based company that provides an array of financial planning services. Ms. Nealon was a director of Newport Federal Savings Bank (Newport Federal) from 2005 until it merged into Savings Institute in September 2013. Before serving as a director with Newport Federal, Ms. Nealon was a director of Westerly Savings Bank from 2004 until it merged with Newport Federal in 2005. Age 61. Director since 2013.

Ms. Nealon brings financial, accounting and management expertise to the Board. Ms. Nealon also provides the Board with knowledge of our new Rhode Island market.

Directors with Terms Ending in 2015

Donna M. Evan is a Sales Manager for WILI AM/FM, a commercial radio station located in Willimantic, Connecticut. Her responsibilities include working with local and regional businesses to market products and services, soliciting business from local and regional businesses and communicating with advertising agencies to coordinate advertising for national clients. Age 65. Director since 1996.

Ms. Evan brings significant business and management level experience from a setting outside of the financial services industry. In addition, through her business experience, Ms. Evan has gained significant marketing knowledge and valuable insight into current buying trends and the local economic environment, adding additional value to the Board.

William R. Harvey is an attorney and partner in the law firm Harvey, Carr & Hadfield. Mr. Harvey was a director of Newport Federal from 1987 until it merged into Savings Institute in September 2013. Age 67. Director since 2013.

Mr. Harvey s extensive legal career, make his contributions to the Board in the areas of leadership, consensus building, corporate governance and litigation oversight very important. Mr. Harvey also provides the Board with knowledge of our new Rhode Island market.

Henry P. Hinckley is the Chairman of the Board of Directors of SI Financial and Savings Institute. Mr. Hinckley also is the President and owner of J.P. Mustard Agency, Inc., an insurance agency located in Willimantic, Connecticut. Age 73. Director since 1984.

Mr. Hinckley provides the Board with significant local marketing and sales insight and managerial and operational knowledge through his experience as president of an insurance agency. Mr. Hinckley has considerable experience in the insurance industry and the related risk assessment practice area necessary in banking operations.

Directors with Terms Ending in 2016

Rheo A. Brouillard has been the President and Chief Executive Officer of Savings Institute and SI Financial since 1995 and 2004, respectively. Age 59. Director since 1995.

Mr. Brouillard s extensive experience in the local banking industry and involvement in business and civic organizations in the communities in which Savings Institute serves affords the Board valuable insight regarding the business and operations of Savings Institute. Mr. Brouillard s knowledge of SI Financial s and Savings Institute s business and history, position him well to continue to serve as President and Chief Executive Officer.

Roger Engle was the President of The Crystal Water Company, a water supplier located in Danielson, Connecticut, from 1973 until his retirement in 2000. Mr. Engle served as the First Selectman for the town of Brooklyn, Connecticut from November 2005 until November 2009. As First Selectman, Mr. Engle oversaw all functions of the town, including the budgeting process, issuance of bonds and maintenance of public infrastructure. He was also a director of Connecticut Water Service, Inc. (NASDAQ: CTWS), which delivers water to customers throughout 42 towns in Connecticut and Massachusetts, from 2000 to 2005. Age 75. Director since 1998.

Table of Contents

Mr. Engle s experience as President of The Crystal Water Company and First Selectman provides the Board valuable management level experience, including insight into the budget process. In addition, Mr. Engle s continued involvement in community organizations and local political matters is a vital component of a well rounded board.

Kevin M. McCarthy joined Newport Federal in 1989 and was the President and Chief Executive Officer of Newport Federal before it merged into Savings Institute in September 2013. Mr. McCarthy served as Vice President, Director of Policy and Supervision at the Federal Home Loan Bank of Boston from 1977 to 1989 and was a savings and loan examiner with the Federal Home Loan Bank Board from 1973 to 1977. Currently, Mr. McCarthy serves on the Board of the Federal Home Loan Bank of Boston and the Community Bank Council of the American Bankers Association. Mr. McCarthy is a retired Captain in the U.S. Navy Reserve. Mr. McCarthy was a director of Newport Federal from 1993 until it merged into Savings Institute in September 2013. Age 66. Director since 2013.

Mr. McCarthy s insight into the historical operations of Newport Federal and his extensive experience in the Rhode Island banking industry affords the Board valuable insight.

Item 2 Ratification of the Independent Registered Public Accounting Firm

The Audit and Risk Committee of the Board of Directors has appointed Wolf & Company, P.C. to be the Company s independent registered public accounting firm for the fiscal year ended December 31, 2014, subject to ratification by stockholders. A representative of Wolf & Company, P.C. is expected to be present at the annual meeting to respond to appropriate questions from stockholders and will have the opportunity to make a statement should he or she desire to do so.

If the ratification of the appointment of the independent registered public accounting firm is not approved by a majority of the votes cast, the Audit and Risk Committee of the Board of Directors may consider other independent registered public accounting firms.

The Board of Directors recommends a vote FOR the ratification of the appointment of the independent registered public accounting firm.

Item 3 Advisory Vote to Approve the Compensation of the Company s Named Executive Officers

The Dodd-Frank Wall Street Reform and Consumer Protection Act (the Dodd-Frank Act) requires, among other things, that the Company permit a non-binding advisory vote on the compensation of its named executive officers, as described in the tabular disclosure regarding named executive officer compensation and the accompanying narrative disclosure in this proxy statement.

This proposal, commonly known as a say-on-pay proposal, gives the Company s stockholders the opportunity to endorse or not endorse the Company s executive compensation program and policies through the following resolution:

Resolved, that the Company s stockholders approve the compensation paid to the Company s named executive officers, as described in the Compensation Discussion and Analysis and compensation tables and narrative disclosure in this proxy statement.

Table of Contents

Because the vote is advisory, it will not be binding upon the Company or its Board of Directors. However, the Compensation Committee will take into account the outcome of the vote when considering future executive compensation arrangements. We urge stockholders to read the Compensation Discussion and Analysis beginning on page 18 of this proxy statement and related compensation tables and narrative beginning on page 24, which provide detailed information on our compensation policies and practices for our named executive officers.

The Board of Directors unanimously recommends a vote FOR approval of the compensation of the named executive officers.

Compensation Committee Report

The Compensation Committee has reviewed the Compensation Discussion and Analysis that is required by the rules established by the Securities and Exchange Commission. Based on such review and discussion, the Compensation Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this proxy statement. See *Compensation Discussion and Analysis.*

Compensation Committee of the Board of Directors

of SI Financial Group, Inc.

Roger Engle Chairperson

Mark D. Alliod

Donna M. Evan

William R. Harvey

Henry P. Hinckley

17

Table of Contents

Compensation Discussion and Analysis

Overview

The following discussion describes our decision making process and philosophy for compensating our named executive officers in 2013. This discussion also describes the material components of each named executive officer s total compensation package and details the reasoning behind the compensation decisions made in 2013. This discussion should be read together with the compensation tables for our named executive officers that can be found in the *Executive Compensation* section of this proxy statement.

Our 2013 named executive officers were Rheo Brouillard *President/Chief Executive Officer*, Brian Hull *Chief Operating Officer/Chief Financial Officer and Treasurer*, Michael Moran *Senior Credit Officer,* Laurie Gervais *Director, Human Resources,* Paul Little*, Chief Lending Officer* and David Weston *Senior Trust Officer.* Mr. Moran retired from the Bank on January 6, 2014 and Mr. Weston terminated his employment with the Bank on October 28, 2013.

Executive Summary

The Compensation Committee intends to provide our named executive officers with a market competitive compensation package that promotes the achievement of our strategic objectives and maximizes stockholder value without encouraging excessive risk taking.

Fiscal Year 2013 Performance

This past year was a transformational one for the Company as we completed the acquisition of Newport Bancorp, Inc. in September 2013, marking the expansion of our operations into Rhode Island by adding six branches, $446.4 million in assets, including $361.1 million in loans, and $288.4 in deposits. All of Newport Federal s operating systems were successfully converted into Savings Institute s operating platform and the integration has been accomplished seamlessly.

In addition, 2013 was notable as we:

- Improved our asset quality as non-performing loans were 0.66% of total loans at December 31, 2013 compared to 1.11% of total loans at December 31, 2012;

- Increased our net interest margin from 2.88% for the year ended December 31, 2012 to 2.93% for the year ended December 31, 2013, including a net interest margin of 3.17% for the fourth quarter of 2013;

- Achieved continued strong organic growth in our commercial business loan portfolio, which totaled $254.3 million or 24.2% of total loans at December 31, 2013; and

As required by the Dodd-Frank Wall Street Reform and Consumer Protection Act, we held an advisory vote on the approval of the compensation of our named executive officers (Say-on-Pay) at our 2013 annual meeting. The results were that 97.4% of our shareholders who voted on the Say-on-Pay proposal voted in favor of it. The Compensation Committee considered this positive result as an affirmation of its compensation related policies and decisions.

Table of Contents

Fiscal 2013 Compensation Decisions

We believe our 2013 executive compensation program for our named executive officers was consistent with the objectives of our compensation philosophy and with our performance. The compensation actions taken by our Compensation Committee and our Board of Directors are summarized below.

Base Salary. Following a review of a compensation survey prepared by McLagan, an Aon Hewitt company (McLagan) and the Compensation and Benefits Survey prepared by the American Bankers Association, the Compensation Committee made a modest adjustment to the base salaries of our named executive officers to keep base pay in line with our peers. We believe our current base salary levels for our named executive officers are consistent with our stated pay positioning strategy. See *Role of Compensation Consultant* and *Base Salary.*

Executive Agreements. In connection with performance reviews for our named executive officers: (1) the Bank and Company amended and restated the employment agreements for Messrs. Brouillard and Hull and extended the term of the agreements through December 31, 2016; and (2) the Bank amended and restated the change in control agreements with Ms. Gervais and Mr. Little to extend the term of the agreements through December 30, 2016 and provide a severance benefit in the event of termination of employment following change in control equal to three times the base amount for each contracted executive. We believe our current management team will position the Company for continued growth and success and the employment and change in control agreements provide our named executive officers with financial security and the Company with management stability.

Compensation Philosophy

Our compensation and benefits program for our named executive officers focuses on motivating and retaining our talented management team. More specifically, our program is designed to accomplish the following objectives:

- Align the interests of our named executive officers with the interests of stockholders;
- Tie annual cash incentives to the achievement of measurable corporate and individual performance;
- Reward executives for enhancing long-term stockholder value;
- Balance rewards for the achievement of both short-term and long-term SI Financial objectives and ensure sound risk management; and
- Encourage ownership of SI Financial common stock.

The Compensation Committee has created a compensation program for our named executive officers that holds our executives accountable for Company performance and rewards for delivering superior performance and enhanced stockholder returns.

Elements of Our Compensation and Benefits Program

To achieve our objectives we have structured a compensation and benefits program that provides our named executive officers with the following:

- Competitive Base Pay;

Table of Contents

- Short-Term Cash-Based Incentives;
- Long-term Equity Incentives;
- Retirement Benefits; and
- Employment/Change in Control Agreements.

The elements of a named executive officer s total compensation package will vary depending upon the executive s job position and responsibilities with SI Financial and Savings Institute.

Role of Compensation Committee

The Compensation Committee reviews all of the elements of compensation for our named executive officers annually to ensure that we are competitive in the market place and that the mix of benefits accurately reflects our compensation philosophy. The Committee operates under a written charter that establishes the Compensation Committee s responsibilities. The Compensation Committee and Board of Directors review the charter annually to ensure that the scope of the charter is consistent with the Compensation Committee s role. Under the charter, the Compensation Committee is charged with general responsibility for the oversight and administration of our compensation program. The charter also authorizes the Compensation Committee to engage consultants and other professionals without management approval to the extent deemed necessary to discharge its responsibilities.

Role of Management

The chief executive officer develops recommendations regarding the appropriate mix and level of compensation for the other named executive officers. The recommendations consider the objectives of our compensation philosophy and the range of compensation programs authorized by the Compensation Committee. The chief executive officer meets with the Compensation Committee to discuss the recommendations. The chief executive officer also provides input on his own compensation. However, he does not participate in Committee discussions or the review of Committee documents relating to the determination of his compensation.

Role of Compensation Consultant

The Compensation Committee did not engage a compensation consultant in 2013, however, the Compensation Committee considered the information provided in the 2012 McLagan executive compensation review when making its compensation decisions in 2013. The 2012 executive compensation review included, but was not limited to, an assessment of the Company s compensation program compared to its peers, recommendations for total cash compensation opportunities (base salary and cash incentives), an assessment of perquisites, retirement benefits and bonuses for named executive officers, an assessment of the Company s financial performance relative to its peers, a review of board and committee compensation and equity compensation. The compensation review provided the Compensation Committee with a broad array of information from which to assess the effectiveness of our compensation programs and serve as a foundation for compensation decisions. See *Peer Group* for information on the peer group the Company used in making compensation decisions for its named executive officers in 2013.

Peer Group

The Compensation Committee considers information about the practices of its peers and other comparable companies, as well as evolving market practices when it makes compensation decisions. The

Table of Contents

Committee considers the compensation levels and arrangements of similarly situated executives in addition to other factors in connection with its decision making process. Duties, responsibilities and tenure with the Company also are weighed by the Committee. The peer group noted below was developed by McLagan using objective parameters that reflect banks of similar asset sizes and was approved by the Compensation Committee.

The Compensation Committee reviews the Company peer group on an annual basis and updates the peer group as appropriate to ensure that the peer group continues to consist of financial institutions with business models and demographics similar to SI Financial. The Compensation Committee looked at the compensation practices of the following financial institutions when making its compensation decision for the 2013 named executive officers. These institutions range in asset size between $600 million to $2 billion.

Rockville Financial, Inc.	Cape Bancorp, Inc.
Canandaigua National Corp.	Ocean Shore Holding Co.
First Connecticut Bancorp, Inc.	Evans Bancorp, Inc.
United Financial Bancorp, Inc.	BSB Bancorp, Inc.
Enterprise Bancorp, Inc.	Oneida Financial Corp.
Merchants Bancshares, Inc.	Patriot National Bancorp, Inc.
Alliance Financial Corp.	Hampden Bancorp, Inc.
Westfield Financial, Inc.	Chicopee Bancorp, Inc.
Chemung Financial Corp.	Salisbury Bancorp, Inc.
Hingham Institution for Savings	Naugatuck Valley Financial Corporation
New Hampshire Thrift Bancshares	

Base Salary

Our goal is to provide our executive officers with base salaries that are competitive, that reflect their tenure and individual experience and that are consistent with their individual performance. The Compensation Committee has established base salary ranges for each named executive officer using the median base salaries paid to similarly situated executives in our peer group as a target. See *Executive Compensation Summary Compensation Table* for the base salaries paid to our named executive officers in 2013.

Short-Term Cash-Based Incentive Compensation

A major element of our compensation philosophy is to make sure we tie annual cash incentives to the achievement of measurable corporate and individual performance. Our annual Pay-for-Performance Program (PFP) provides us with a vehicle to reward participants for superior company and individual performance. During 2013, each of our named executive officers was eligible to participate in the PFP. The Compensation Committee, in conjunction with the Asset Liability Committee, established the performance goals for each of our named executive officers under the 2013 PFP. The performance measures for the 2013 PFP were the same as the 2012 PFP: (1) return on average assets; (2) noninterest expense; and (3) earnings per share. Each performance measure was assigned a specific weighting: earnings per share (40%) noninterest expense (30%) and return on average assets (30%). The 2013 PFP incentive pay opportunities for our president and chief executive officer were 25% of median of job grade at the threshold level, 37.5% at the target and 50% at the maximum level and for our other named executive officers the opportunities were 20% of median of job grade at the threshold level, 30% at the target level and 40% at the maximum level.

21

Table of Contents

In 2013, the performance measures under the PFP were not achieved and our named executive officers were not eligible for payouts under the 2013 Plan. See *Executive Compensation Grant of Plan-Based Awards* for information on the threshold, target and maximum levels for the 2013 PFP.

Long-Term Equity Incentives

Our named executive officers currently participate in our 2005 Equity Incentive Plan and the 2012 Equity Incentive Plan. The Compensation Committee has developed a long-term incentive program that utilizes our equity incentive plans to align the interests of our named executive officers with our stockholders and focuses our executives on long-term sustained performance through the grant of stock options, restricted stock and performance awards. All awards granted to our named executive officers under the 2005 Equity Incentive Plan are fully vested. Equity Awards granted under our 2012 Equity Incentive Plan to our named executive officers continue to vest in accordance with the terms of the respective agreement. See *Executive Compensation Outstanding Equity Awards at Fiscal Year End.* The Compensation Committee made no awards to our named executive officers in 2013.

Stock Compensation Grant and Award Practices; Timing Issues

The Compensation Committee considers whether to make stock option grants and/or award other forms of equity on an annual basis based on the shares available under the Company s Equity Incentive Plans. The Compensation Committee s process with respect to determining grant dates or stock option exercise prices is made after carefully considering the timing of earnings releases and/or other material non-public information to ensure that there is no manipulation of the market to the executive s benefit. The Compensation Committee s decisions are reviewed and ratified by the full Board of Directors. SI Financial never times the release of material non-public information to affect the value of executive compensation. In general, the release of such information reflects established timetables for the disclosure of material non-public information such as earnings reports or, with respect to other events reportable under federal securities laws, the applicable requirements of such laws with respect to timing of disclosure. In accordance with the Company s Equity Incentive Plans, options are granted at an exercise price equal to the closing price of our common stock on the Nasdaq Stock Market on the date of grant.

Retirement Benefits

All of our named executive officers participate in Savings Institute s qualified retirement plans available to all employees, including Savings Institute s ESOP and 401(k) Plan. In addition to the tax-qualified plans, Savings Institute maintains non-qualified supplemental retirement arrangements with certain of its named executive officers. The agreements provide retirement benefits based on a fixed percentage of each executive s three highest years of compensation. Savings Institute also maintains a non-qualified supplemental plan for its chief executive officer and chief operating officer/chief financial officer to make up for the potential shortfall in their retirement benefits attributable to the limitations that reduce benefits for highly compensated executives under tax-qualified retirement plans. The Committee reviews these programs on an annual basis to ensure that they are consistent with prevailing market practices, our overall executive compensation philosophy and are cost effective to Savings Institute. See *Executive Compensation Non-Qualified Plans* for details on these programs.

Our retirement plans and arrangements are consistent with the arrangements provided to senior executive officers in the banking industry and assist us in attracting and retaining top talent by providing executives with financial security in retirement.

Table of Contents

Executive Agreements

We currently maintain employment agreements with our chief executive officer and our chief operating and financial officer and change in control agreements with our other named executive officers who are currently employed by the Bank. See *Executive Compensation Employment and Change in Control Agreements* for the details of these arrangements.

We recognize that an important consideration in our ability to attract and retain key personnel is our ability to minimize the impact on our management team of the possible disruption associated with our analysis of strategic opportunities. The employment agreements with our chief executive officer and chief operating officer provide reasonable financial arrangements in the event of termination of employment for reasons other than cause. The change in control agreements provide our other named executive officers with a severance benefit if they are terminated in connection with a change in control. The use of employment and change in control agreements is common among our competitors and therefore influences our use of such arrangements to retain our current management team.

In connection with Mr. Weston s departure, the Bank and Mr. Weston entered into a Separation Agreement and General Release. Under the Separation Agreement and General Release, Mr. Weston received a lump sum payment of $84,000, less normal tax withholding.

Perquisites

We provide our named executive officers with reasonable perquisites to further their ability to promote the business interests of the Company in our markets and to reflect competitive practices for similarly situated officers employed by our peers. The perquisites are reviewed periodically and adjusted as necessary.

Tax and Accounting Considerations

In consultation with our advisors, we evaluate the tax and accounting treatment of each of our compensation programs at the time of adoption and on an annual basis to ensure an understanding of the financial impact of the program. Our analysis includes a review of recently adopted and pending changes in tax and accounting requirements. As part of our review, we consider modifications and/or alternatives to existing programs to take advantage of favorable changes in the tax or accounting environment or to avoid adverse consequences. To preserve maximum flexibility in the design and implementation of our compensation programs, we have not adopted a formal policy that requires all compensation to be tax deductible. However, to the greatest extent possible, it is our intent to structure our compensation programs in a tax efficient manner.

Stock Ownership Guidelines

We have not adopted formal stock ownership requirements for our named executive officers. As a practical matter, our officers and directors are expected to hold a meaningful interest in our stock.

Risk Assessment

The Compensation Committee has determined that the Company s compensation policies and practices do not encourage excessive risk-taking, are compatible with effective internal controls and are supported by the oversight and administration of the Compensation Committee with regard to executive compensation programs.

23

Table of Contents

Executive Compensation

Summary Compensation Table. The following table provides information concerning total compensation earned or paid to the principal executive officer, principal financial officer and the three other most highly compensated executive officers of SI Financial who served in such capacities at December 31, 2013. These six officers are referred to as the named executive officers in this proxy statement.

Name and Principal Position	*Year*	*Salary ($)*	*Option Awards ($)(1)*	*Stock Awards ($)(2)*	*Non-Equity Incentive Plan Compensation ($)*	*Change in Pension Value and Nonqualified Deferred Compensation Earnings ($)(3)*	*All Other Compensation ($)(4)*	*Total ($)*
Rheo A. Brouillard	2013	$ 370,385	$	$	$	$ 231,415	$ 38,066	$ 639,866
President and Chief Executive	2012	335,000	138,850	440,400	40,520		32,612	987,382
Officer	2011	333,269	41,060		47,273	375,970	23,739	821,311
Brian J. Hull	2013	237,212				121,492	30,767	389,471
Executive Vice President,	2012	225,500	111,080	275,250	22,700	34,300	26,558	695,388
Chief Operating Officer, Chief Financial Officer and Treasurer	2011	220,029	30,795		22,070	119,855	16,901	409,650
Michael J. Moran(5)	2013	162,387				14,671	31,668	208,726
Senior Vice President, Senior	2012	151,460	55,540	55,050	13,465	15,781	21,950	313,246
Credit Officer	2011	150,647	20,530		15,709	46,762	18,015	251,663
Laurie L. Gervais	2013	158,077				81,602	18,983	258,662
Senior Vice President,	2012	150,000	83,310	220,200	13,465		15,779	482,754
Director Human Resources	2011	148,789	20,530		15,709	154,581	11,894	351,503
Paul R. Little	2013	170,385					18,130	188,515
Senior Vice President, Chief Lending Officer								
David T. Weston(6)	2013	145,935					89,924	235,859
Senior Vice President, Senior	2012	161,000	60,169	55,050	13,465		15,494	305,178
Trust Officer	2011	160,135	18,505		15,709		11,595	205,944

(1) Reflects the aggregate grant date fair value for stock options granted during the year computed in accordance with FASB ASC Topic 718 Share Based Payment (ASC 718). The amounts were based upon a fair value using the Black-Scholes option pricing model of $2.777 for the options granted in 2012 ($4.629 for 1,000 stock options and $2.777 for 20,000 stock options granted to Mr. Weston) and $4.106 for the options granted in 2011 ($3.701 for 5,000 options granted to Mr. Weston). For information on the assumptions used to compute the fair value, see

note 11 of the notes to the consolidated financial statements. The actual value, if any, realized by an executive officer from any option will depend on the extent to which the market value of the common stock exceeds the exercise price of the option on the date the option is exercised. Accordingly, there is no assurance that the value realized by an executive officer will be at or near the value estimated above.

(2) These amounts reflect the aggregate grant date fair value for outstanding restricted stock awards and performance awards granted during the year indicated, computed in accordance with ASC 718 and are based on the Company s stock price as of the date of grant, which was $11.01 for the grants in 2012. The amounts were calculated assuming that all performance conditions have been satisfied.

(3) The present value of the benefits payable to Mr. Broullard and Ms. Gervais under the Savings Institute Executive Supplemental Retirement Plan decreased by $190,262 and $57,557, respectively, for 2012 due to changes in actuarial assumptions regarding future eligible compensation under the plans.

(footnotes continued on following page)

Table of Contents

(4) Details of the amounts reported in the All Other Compensation column for 2013 are provided in the table below. The table excludes perquisites, which did not exceed $10,000 in the aggregate for each named executive officer.

	Mr. Brouillard	Mr. Hull	Mr. Moran	Mr. Gervais	Mr. Little	Mr. Weston
Employer matching contributions to 401(k) Plan	$ 7,650	$ 7,650	$ 5,276	$ 5,146	$ 5,516	$ 4,782
Fair market value of allocations under the ESOP	14,638	14,637	10,094	9,847	10,551	
Economic benefit of employer-paid premiums for split-dollar life insurance agreements	11,128	4,327	15,717	1,665	690	584
Dividends paid on unvested restricted stock awards	4,650	2,906	581	2,325	1,373	558
Disability Premium		1,247				
Severence						84,000

(5) Mr. Moran retired from the Bank on January 6, 2014.
(6) Mr. Weston resigned from the Bank on October 28, 2013.

Employment and Change in Control Agreements

SI Financial and Savings Institute maintain employment agreements with Messrs. Brouillard and Hull. The employment agreements provide for a base salary and, among other things, participation in discretionary bonuses or other incentive compensation provided to senior management, and participation in stock benefit plans and other fringe benefits applicable to executive personnel. In connection with each executive s annual review, the Board of Directors may renew the agreements for an additional year so that the remaining term will be three years. The Board of Directors has renewed the employment agreements through December 31, 2016.

The employment agreements with Messrs. Brouillard and Hull also contain a restrictive covenant that would subject the executives to a one year non-competition agreement if they terminate their employment for good reason (as defined in the agreement) or they are terminated without cause (as defined in the agreement).

Savings Institute maintains change in control agreements with Mr. Little and Ms. Gervais. The agreements provide each executive with cash severance and the continuation of certain benefits if their employment is terminated in connection with a change in control. In connection with each executive s annual review, the Board of Directors may renew the agreements for an additional year so that the remaining term will be three years. The Board of Directors has renewed the change in control agreements through December 30, 2016.

See *Potential Post-Termination Benefits* for a discussion of the benefits and payments Messrs. Brouillard, Hull and Little and Ms. Gervais may receive under their agreements upon termination of employment.

Table of Contents

Grants of Plan-Based Awards

The following table provides certain information as to grants of plan-based awards for the named executive officers. No stock options or awards were granted to the named executive officers in 2013.

	Estimate Possible Payouts Under Non-Equity Incentive Plan Awards(1)		
Name	Threshold	Target	Maximum
Rheo A. Brouillard	$ 90,044	$ 135,066	$ 180,089
Brian J. Hull	50,445	75,667	100,890
Michael J. Moran	29,922	44,882	59,843
Laurie L. Gervais	29,922	44,882	59,843
Paul R. Little	29,922	44,882	59,843
David T. Weston			

(1) These columns illustrate the possible payouts for each named executive officer under the 2013 Pay-for-Performance Program. See *Summary Compensation Table* for the actual 2013 payouts.

Pay-for-Performance Program

Our 2013 Pay-for-Performance Program was designed to reward employees for their contribution towards our success. Our named executive officers received payouts under this program based on the Company s achievement of specific financial performance measures. See *Compensation Discussion and Analysis* for a detailed discussed of the 2013 Pay-for-Performance Program. See *Summary Compensation Table* for the actual 2013 payouts.

Table of Contents

Outstanding Equity Awards at Fiscal Year-End

The following table provides information concerning options and stock awards that have not vested as of December 31, 2013 for each named executive officer.

		Option Awards				*Stock Awards*	
Name	***Grant Date***	***Number of securities underlying unexercised options exercisable (#)(1)***	***Number of securities underlying unexercised options unexercisable (#)(1)***	***Option exercise price ($)***	***Option expiration date***	***Number of shares or units of stock that have not vested (#)***	***Market value of shares or units of stock that have not vested ($)(2)***
Rheo A. Brouillard	5/17/2005	89,810		$ 11.25	5/17/2015		$
	2/24/2010	5,388	3,593	5.68	2/24/2020		
	2/16/2011	4,000	6,000	9.40	2/16/2021		
	10/24/2012	10,000	40,000	11.01	10/24/2022		
	10/24/2012					15,000(3)	180,750
	10/24/2012					20,000(4)	241,000
Brian J. Hull	5/17/2005	35,924		11.25	5/17/2015		
	2/24/2010	2,694	1,796	5.68	2/24/2020		
	2/16/2011	3,000	4,500	9.40	2/16/2021		
	10/24/2012	8,000	32,000	11.01	10/24/2022		
	10/24/2012					9,375(3)	112,969
	10/24/2012					12,500(4)	150,625
Michael J. Moran	5/17/2005	24,249		11.25	5/17/2015		
	2/24/2010	2,694	1,796	5.68	2/24/2020		
	2/16/2011	2,000	3,000	9.40	2/16/2021		
	10/24/2012	4,000	16,000	11.01	10/24/2022		
	10/24/2012					1,875(3)	22,594
	10/24/2012					2,500(4)	30,125
Laurie L. Gervais	5/17/2005	24,249		11.25	5/17/2015		
	2/24/2010	2,694	1,796	5.68	2/24/2020		
	2/16/2011	2,000	3,000	9.40	2/16/2021		
	10/24/2012	6,000	24,000	11.01	10/24/2022		
	10/24/2012					7,500(3)	90,375
	10/24/2012					10,000(4)	120,500
Paul R. Little	3/21/2012	200	800	11.20	3/21/2022		
	10/24/2012	4,000	16,000	11.01	10/24/2022		
	9/21/2011					1,401(5)	16,882
	10/24/2012					3,750(3)	45,188
	10/24/2012					5,000(4)	60,250

David T. Weston	5/17/2005	8,981	11.25	1/26/2014
	3/21/2012	200	11.20	1/26/2014

(footnotes on following page)

Table of Contents

(1) All stock options granted vest in five equal annual installments commencing on the first anniversary of the date of grant.
(2) Based on $12.05 per share, the closing price of SI Financial s common stock on December 31, 2013.
(3) Stock awards vest in three annual installments beginning on October 24, 2014.
(4) The performance stock award vests in four equal annual installments commencing on February 26, 2014 and in each case is subject to continued employment with the Company and the achievement of certain performance metrics. If such performance metrics have not been satisfied as of such dates the awards may vest on a subsequent vesting date if the tangible book value of the Company s common stock on that date equals or exceeds the value on the grant date. All unvested award shares after the fourth vesting date will be forfeited.
(5) Stock awards vest in five annual installments commencing on the first anniversary of the date of grant.

Stock Vested

The following table provides information concerning the vesting of stock awards for each named executive officer, on an aggregate basis, during the year ended December 31, 2013. No stock options were exercised during the year ended December 31, 2013.

	Stock Awards	
Name	**Number of shares acquired on vesting**	**Value realized on vesting(1)**
Rheo A. Brouillard	5,000	$ 58,250
Brian J. Hull	3,125	36,406
Michael J. Moran	625	7,281
Laurie L. Gervais	2,500	29,125
Paul R. Little	1,716	20,108
David T. Weston	1,523	17,985

(1) The value realized upon vesting is equal to the closing market price of the Company s common stock on the date of vesting multiplied by the number of shares acquired. In some cases, the amount reported is the aggregate of shares vesting from more than one grant of restricted stock.

Pension Benefits

The following table presents an estimation of the present value of the pension benefits payable to each named executive officer at December 31, 2013. Messrs. Little and Weston have not entered into a executive supplemental retirement arrangement or any other defined benefit pension arrangement with SI Financial or Savings Institute.

Name	**Plan Name**	**Present Value of Accumulated Benefit ($)(1)**

Rheo A. Brouillard	Savings Institute Executive Supplemental Retirement Plan	$ 2,403,395
Brian J. Hull	Savings Institute Executive Supplemental Retirement Plan	1,435,507
Michael J. Moran	Savings Institute Executive Supplemental Retirement Plan	895,188
Laurie L. Gervais	Savings Institute Executive Supplemental Retirement Plan	1,057,493

(1) The present value has been calculated assuming the named executive officer will remain in service until Normal Retirement Age (as defined in the plan) without a reduction in benefits. The accumulated benefit is calculated in accordance with FASB ASC Topic 710 Compensation and Topic 715 Compensation Retirement Benefits, using a 6.00% discount rate.

Table of Contents

Executive Supplemental Retirement Plan. Savings Institute maintains an executive supplemental retirement plan arrangement for Messrs. Brouillard, Hull and Moran and Ms. Gervais. Each executive is entitled to a retirement benefit based on a fixed percentage of his or her final three-year average compensation. Benefits are payable upon the earlier of an executive s termination of employment (other than for cause) at or after attaining age 65, or on the date when the sum of the executive s years of service and age total 80 for Messrs. Brouillard and Moran and Ms. Gervais or 78 for Mr. Hull. If an executive terminates employment before satisfaction of these requirements, he or she may receive an early retirement benefit that would be adjusted by 2% for each point by which the sum of his or her age and years of service is less than 80 for Messrs. Brouillard and Moran and Ms. Gervais or 78 for Mr. Hull. Executives may elect to receive their plan benefits in a single life annuity with 15 guaranteed annual payments or a lump sum equal to the actuarial equivalent of the annuity payment. See *Potential Post-Termination Benefits* for a description of the benefits provided under the supplemental executive retirement plan arrangements.

Split-Dollar Life Insurance Agreements. Savings Institute maintains individual split-dollar life insurance agreements with Messrs. Brouillard and Hull and Ms. Gervais to encourage the officers to continue to render high quality service to Savings Institute in exchange for financial protection for their beneficiaries if they die. The death benefits provided under the split-dollar life insurance agreements are funded through bank-owned life insurance policies. Savings Institute pays all of the life insurance premiums. See *Potential Post-Termination Benefits* for a description of the benefits provided under the agreements.

Nonqualified Deferred Compensation Plan

The following table provides information with respect to the Savings Institute Bank and Trust Company Supplemental Executive Retirement Plan (SERP). Messrs. Brouillard and Hull participate in the SERP.

Name	***Plan Name***	***Registrant Contributions in Last Fiscal Year ($)***	***Aggregate Earnings ($)***	***Aggregate Balance at Last Fiscal Year End ($)***
Rheo A. Brouillard	Supplemental Executive Retirement Plan	$ 14,089	$ 1,864	$ 89,192
Brian J. Hull	Supplemental Executive Retirement Plan	429		429

Supplemental Executive Retirement Plan. Savings Institute maintains a supplemental executive retirement plan that provides restorative payments to executives designated by the Board of Directors who are prevented from receiving the full benefits contemplated by the ESOP s benefit formula and the full matching contribution under the 401(k) Plan. Savings Institute s Board of Directors has designated Messrs. Brouillard and Hull to participate in the plan. The restorative payments under the plan consist of payments in lieu of shares that cannot be allocated to the participant s account under the ESOP and payments for employer matching contributions that cannot be allocated under the 401(k) Plan due to the legal limitations imposed on tax-qualified plans. The benefits under the plan will be paid to Messrs. Brouillard and Hull at the same time benefits are paid under the ESOP and 401(k) Plan. See *Potential Post-Termination Benefits* for a description of the benefits provided under the plan.

Potential Post-Termination Benefits

Payments Made Upon Termination for Cause. If a named executive officer is terminated for cause, he or she will receive his or her base salary through the date of termination and retain the rights to any vested benefits subject to the terms of the plan or agreement under which those benefits are provided. All unvested stock options and restricted stock awarded to the named executive officers under the Equity Incentive Plans would be forfeited upon termination for cause.

Table of Contents

All benefits credited to Messrs. Brouillard and Hull under the supplemental executive retirement plan are non-forfeitable and therefore payable to them if they are terminated for cause.

Payments Made Upon Termination without Cause or for Good Reason. Under the terms of the employment agreements with Messrs. Brouillard and Hull, if SI Financial or Savings Institute elects to terminate Messrs. Brouillard or Hull for reasons other than for cause, or if Messrs. Brouillard or Hull resign for good reason (as defined below), the executives (or, in the event of death, their beneficiaries) are entitled to a lump sum severance payment equal to the base salary payments due for the remaining term of the employment agreement, along with all contributions that would have been made on behalf of the executive during the remaining term of the agreement pursuant to any of SI Financial or Savings Institute sponsored-employee benefit plan. In addition, Savings Institute or SI Financial would continue and/or pay for each executive s life, medical, disability and dental coverage for the remaining term of the employment agreement.

Good Reason means the material breach of the agreement by Savings Institute or SI Financial, including: (1) a material change to the executive s responsibilities or authority; (2) assignment to executive of duties of a non-executive nature or duties for which he is not reasonably equipped by his skills or experience; (3) the failure to nominate or renominate the executive to the Board of Directors of Savings Institute or SI Financial; (4) a reduction in salary or benefits; (5) termination or material reduction of incentive and benefits plans, programs or arrangements; (6) relocation of executive s principal business office by more than twenty-five miles; or (7) the liquidation or dissolution of SI Financial or Savings Institute.

If Mr. Little or Ms. Gervais are terminated without cause or for good reason, each would retain the rights to any vested benefits subject to the terms of the plan or agreement under which those benefits are provided.

All benefits credited to Messrs. Brouillard and Hull under the supplemental executive retirement plan are non-forfeitable and therefore payable to them if they are terminated for good reason or without cause.

All unvested stock options and restricted stock awarded under the Equity Incentive Plans to named executive officers would be forfeited upon termination without cause or for good reason.

Payments Made Upon Disability. Under the employment agreements with Messrs. Brouillard and Hull, if they become disabled and their employment is terminated, they will be entitled to disability pay equal to 100% of their bi-weekly base salary in effect at the date of termination. They would continue to receive disability payments until the earlier of: (1) the date they return to full employment with us; (2) their death; or (3) age 65. All disability payments would be reduced by the amount of any benefits payable under our disability plans. In addition, Messrs. Brouillard and Hull would continue to be covered to the greatest extent possible under all benefit plans in which they participated before their disability as if they were actively employed by us.

If Mr. Little or Ms. Gervais becomes disabled and his or her employment is terminated, each will be entitled to benefits payable under our disability plans.

All benefits credited to Messrs. Brouillard and Hull under the supplemental executive retirement plan are non-forfeitable and therefore payable to them if they become disabled and their employment is terminated.

Table of Contents

Under the terms of the supplemental executive retirement plan arrangements, if an executive becomes disabled, Savings Institute will transfer funds to a contingent liability trust equal to its accrued plan liability for the executive as of the date of the disability. When the accrued liability balance is transferred, Savings Institute s obligation ends and a bank-owned disability policy from MassMutual Life Insurance Company covering the executive makes payments to the Contingent Liability Trust during the disability period.

Upon termination due to disability, outstanding stock options granted pursuant to the Equity Incentive Plans vest and remain exercisable until the earlier of one year from the date of termination of employment due to disability or the expiration date of the stock options. Restricted stock awards granted to these officers under the plan also vest upon termination of employment due to disability.

Payments Made Upon Death. Under their employment agreements, Messrs. Brouillard s and Hull s estates are entitled to receive the compensation due to them through the end of the month in which their death occurs.

Mr. Little s or Ms. Gervais estate is entitled to receive compensation due to him or her through the date of his or her death.

All benefits credited to Messrs. Brouillard and Hull under the supplemental executive retirement plan are non-forfeitable and therefore payable to their beneficiaries if they die.

Under the terms of the supplemental executive retirement plan arrangements, should an executive die while employed with Savings Institute or after the payments have begun, the executive s designated beneficiary will receive the balance in the executive s plan liability account on the date of death in a lump sum cash payment.

Pursuant to the split-dollar life insurance agreements with Messrs. Brouillard and Hull and Ms. Gervais, if an executive dies following his termination of employment, the death benefit provided under his split-dollar life insurance agreement is determined in accordance with the methodology set forth in his agreement. The death benefit will not exceed the excess of the net-at-risk amount under the policies for the inactive officer provided, however, that the death benefit provided to a beneficiary of an inactive officer will be reduced to three times the officer s compensation (as defined in the agreement), if, as of the officer s death, the officer had an irrevocable election to receive a lump sum distribution of his benefits (if any) payable under the executive supplemental retirement plan agreement.

Upon termination of employment due to death, outstanding stock options granted pursuant to the Equity Incentive Plans vest and remain exercisable until the earlier of one year from the date of death or the expiration date of the stock options. Restricted stock awards granted under the plans also vest upon death.

Payments Made Upon a Change in Control. Messrs. Brouillard s and Hull s employment agreements provide that in the event of a change in control followed by voluntary termination of employment (upon circumstances discussed in the agreement) or involuntary termination of employment for reasons other than cause, the executives receive a severance payment equal to 2.99 times the average of each executive s five preceding taxable years annual compensation (base amount). For this calculation, annual compensation will include all taxable income plus any retirement contributions or benefits made or accrued during the period. In addition, Messrs. Brouillard and Hull will also receive the contributions they would have received under our retirement programs for a period of thirty-six months, as well as health, life, dental and disability coverage for that same time period. Section 280G of the Internal Revenue Code provides that payments related to a change in control that equal or exceed three times the base amount constitute excess parachute payments. Individuals who receive excess parachute payments are subject to a 20% excise tax on the amount that exceeds the base amount, and the employer may not deduct such amounts. The executives employment agreements provide that if the total

31

Table of Contents

value of the benefits provided and payments made to them in connection with a change in control, either under their employment agreements alone or together with other payments and benefits that they have the right to receive from SI Financial and Savings Institute, exceed three times their base amount (280G Limit), their severance payment will be reduced or revised so that the aggregate payments do not exceed their 280G Limit.

The change in control agreements provide that if, following a change in control, the officer s employment is terminated without cause or he or she voluntarily terminates employment for good reason, he or she will be entitled to a severance payment equal to three times the average of his or her annual compensation over the five calendar years preceding the change in control, plus coverage under Savings Institute s health and welfare plans for thirty-six months. The terms change in control and good reason are defined in the change in control agreement. The change in control agreements provide that the total value of the benefits provided and payments made may not exceed his or her 280G Limit and that to avoid such a result the severance payment would be reduced.

Under the terms of the executive supplemental retirement plan agreements, if a participant terminates employment in connection with a change in control (as defined in the plan), the participant will be entitled to a lump sum cash amount specified in the executive s plan agreement payable within 30 days of the participant s termination of employment. Payments made under the agreements upon a change in control may be categorized as parachute payments and, therefore, count towards each executive s 280G Limit.

Under the terms of the ESOP, upon a change in control (as defined in the plan), the plan trustee will repay in full any outstanding acquisition loan. After repayment of the acquisition loan, all remaining shares of our stock held in the loan suspense account, all other stock or securities, and any cash proceeds from the sale or other disposition of any shares of our stock held in the loan suspense account will be allocated among the accounts of all participants in the plan who were employed by us on the date immediately preceding the effective date of the change in control. The allocations of shares or cash proceeds will be credited to each eligible participant in proportion to the opening balances in their accounts as of the first day of the valuation period in which the change in control occurred. Payments under the ESOP are not categorized as parachute payments and, therefore, do not count towards each executive s 280G Limit.

In addition to providing for benefits lost under the ESOP and 401(k) Plan as a result of limitations imposed by the Internal Revenue Code, the supplemental executive retirement plan also provides supplemental benefits to participants upon a change in control (as defined in the plan) before the complete scheduled repayment of the ESOP loan. The supplemental benefit is equal to the benefit the participants would have received under the ESOP had the participants remained employed throughout the term of the plan s acquisition loan, less the benefits actually provided. All benefits received under this plan count towards the participant s 280G Limit.

In the event of a change in control of SI Financial or Savings Institute, outstanding stock options granted pursuant to the Equity Incentive Plans vest and, if the option holder is terminated other than for cause within twelve months of the change in control, will remain exercisable until the expiration date of the stock options. Restricted stock awards granted to these officers under the plans also vest upon a change in control. The value of the accelerated options and restricted stock grants count towards an executive s 280G Limit.

Table of Contents

Potential Post-Termination Benefits Tables. The amount of compensation payable to each named executive officer upon termination for cause, termination without cause or for good reason, a change in control followed by termination of employment, disability, death and retirement is shown below. The amounts shown assume that such termination was effective as of December 31, 2013, and thus, include amounts earned through such time and are estimates of the amounts that would be paid out to the executives upon their termination. The amounts do not include the executive s account balances in Savings Institute s tax-qualified retirement plans to which each executive has a non-forfeitable interest. The amounts shown relating to unvested options and restricted stock awards are based on the fair market value of SI Financial s common stock on December 31, 2013, which was $12.05. The actual amounts to be paid out can only be determined at the time of such executive s separation from SI Financial.

The following table provides the amount of compensation payable to Mr. Brouillard for each of the situations listed below.

	Payments Due Upon					
	Termination For Cause	Termination Without Cause or for Good Reason	Disability	Death	Retirement	Change in Control with Termination of Employment
Cash payment	$	$ 1,031,250	$ 991,249(1)	$	$	$ 1,255,789
Health and welfare benefits		49,214	108,867			53,688(2)
401(k) Plan matching contribution and ESOP benefit		44,566				
Executive Supplemental Retirement Plan benefit		2,700,886	2,202,800	2,202,800	2,403,395	2,700,886
Income attributable to accelerated value of stock options		80,381	80,381	80,381		80,381
Income recognized upon vesting of restricted stock		421,750	421,750	421,750		421,750
Split-dollar benefit				2,206,000		
Supplemental executive retirement plan benefit	89,193	89,193	89,193	89,193	89,193	89,193
Total payment	$ 89,193	$ 4,417,240	$ 3,894,240	$ 5,000,124	$ 2,492,588	$ 4,601,687(3)

(1) Disability payment equals the executive s base salary as of his termination date assuming coverage is continued until executive reaches 65 years of age.

(2) Reflects the value of coverage under Savings Institute s life, medical, health and dental insurance programs for a period of 36 months.

(3) Mr. Brouillard s employment agreement provides that in the event of a change in control followed by voluntary termination of employment (upon circumstances discussed in the agreement) or involuntary termination of employment for reasons other than cause, his severance payment cannot exceed 2.99 times the average of his five

preceding taxable years annual compensation (280G Limit). If a change in control had occurred on December 31, 2013, the amount shown would have been reduced by $452,000 to reflect Mr. Brouillard s 280G limit. See *Potential Post-Termination Benefits Payments Made Upon a Change in Control*.

Table of Contents

The following table provides the amount of compensation payable to Mr. Hull for each of the situations listed below.

	Payments Due Upon					
	Termination For Cause	Termination Without Cause or for Good Reason	Disability	Death	Retirement	Change in Control with Termination of Employment
Cash payment	$	$ 660,000	$ 577,500(1)	$	$	$ 759,944
Health and welfare benefits		49,214	214,752			53,688(2)
401(k) Plan matching contribution and ESOP benefit		44,566				
Executive Supplemental Retirement Plan benefit		1,725,189	1,396,097	442,755	1,435,507	1,725,189
Income attributable accelerated value of stock options		56,646	56,646	56,646		56,646
Income recognized upon vesting of restricted stock		263,594	263,594	263,594		263,594
Split-dollar benefit				1,617,000		
Supplemental executive retirement plan benefit	429	429	429	429	429	429
Total payment	$ 429	$ 2,799,638	$ 2,509,018	$ 2,380,424	$ 1,435,936	$ 2,859,490(3)

(1) Disability payment equals the executive s base salary as of his termination date assuming coverage is continued until executive reaches 65 years of age.

(2) Reflects the value of coverage under Savings Institute s life, medical, health and dental insurance programs for a period of 36 months.

(3) Mr. Hull s employment agreement provides that in the event of a change in control followed by voluntary termination of employment (upon circumstances discussed in the agreement) or involuntary termination of employment for reasons other than cause, his severance payment cannot exceed 2.99 times the average of his five preceding taxable years annual compensation (280G Limit). If a change in control had occurred on December 31, 2013, the amount shown would have been reduced by $409,000 to reflect Mr. Hull s 280G limit. See *Potential Post-Termination Benefits Payments Made Upon a Change in Control*.

The following table provides the amount of compensation payable to Ms. Gervais for each of the situations listed below.

	Termination For Cause	Termination Without Cause or for Good Reason	Disability	Death	Retirement	Change in Control with Termination of Employment

Cash payment	$	$	$	$	$	$ 509,234
Health and welfare benefits(1)						38,640
Executive supplemental retirement plan benefit		1,057,493	1,015,488	291,108	1,057,493	1,121,122
Income attributable to accelerated value of stock options			44,351	44,351		44,351
Income recognized upon vesting of restricted stock			210,875	210,875		210,875
Split-dollar benefit				975,000		
Total payment	$	$ 1,057,493	$ 1,270,714	$ 1,521,334	$ 1,057,493	$ 1,924,222(2)

(1) Reflects the value of coverage under Savings Institute s life, medical, health and dental insurance programs for a period of 24 months.

(2) Mr. Gervais change in control agreement provides that in the event of a change in control followed by voluntary termination of employment (upon circumstances discussed in the agreement) or involuntary termination of employment for reasons other than cause, his severance payment cannot exceed 2.99 times the average of his five preceding taxable years annual compensation (280G Limit). If a change in control had occurred on December 31, 2013, the amount shown would have been reduced by $156,000 to reflect Mr. Gervais 280G limit. See *Potential Post-Termination Benefits Payments Made Upon a Change in Control*.

34

Table of Contents

The following table provides the amount of compensation payable to Mr. Little for each of the situations listed below.

	Payments Due Upon				
	Termination For Cause	Disability	Death	Retirement	Change in Control with Termination of Employment
Cash payment	$	$	$	$	$ 509,050
Income attributable to accelerated value of stock options		17,472	17,472		17,472
Income recognized upon vesting of restricted stock		122,320	122,320		122,320
Total payment	$	$ 139,792	$ 139,792	$	$ 648,842(1)

(1) Mr. Little s change in control agreement provides that in the event of a change in control followed by voluntary termination of employment (upon circumstances discussed in the agreement) or involuntary termination of employment for reasons other than cause, his severance payment cannot exceed 2.99 times the average of his five preceding taxable years annual compensation (280G Limit). If a change in control had occurred on December 31, 2013, the amount shown would have been reduced by $31,000 to reflect Mr. Little s 280G limit. See *Potential Post-Termination Benefits Payments Made Upon a Change in Control*.

Other Information Relating to Directors and Executive Officers

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934 requires the Company s executive officers and directors, and persons who own more than 10% of any registered class of the Company s equity securities, to file reports of ownership and changes in ownership with the Securities and Exchange Commission. Executive officers, directors and stockholders who own greater than 10% of our common stock are required by regulation to furnish the Company with copies of all Section 16(a) reports they file.

Based solely on its review of the copies of the reports it has received and written representations provided to the Company from the individuals required to file the reports, the Company believes that each of its executive officers and directors complied with applicable reporting requirements for transactions in SI Financial common stock during 2013, except for one late report filed by Mr. Brouillard relating to the sale of shares.

Policies and Procedures for Approval of Related Persons Transactions

SI Financial maintains a Policy and Procedures Governing Related Persons Transactions, which is a written policy and set of procedures for the review and approval or ratification of transactions involving related persons. Under the policy, related persons consist of directors, director nominees, executive officers, persons or entities known to us to be the beneficial owner of more than five percent of any outstanding class of voting securities of SI Financial, or immediate family members or certain affiliated entities of any of the foregoing persons.

Transactions covered by the policy consist of any financial transaction, arrangement or relationship or series of similar transactions, arrangements or relationships, in which:

- the aggregate amount involved will or may be expected to exceed $50,000 in any calendar year;
- SI Financial is, will or may be expected to be a participant; and
- any related person has or will have a direct or indirect material interest.

Table of Contents

The policy excludes certain transactions, including:

- any compensation paid to an executive officer of SI Financial if the Compensation Committee of the Board of Directors approved (or recommended that the Board approve) such compensation;
- any compensation paid to a director of SI Financial if the Board or an authorized committee of the Board approved such compensation; and
- any transaction with a related person involving consumer and investor financial products and services provided in the ordinary course of SI Financial business and on substantially the same terms as those prevailing at the time for comparable services provided to unrelated third parties or to SI Financial s employees on a broad basis (and, in the case of loans, in compliance with the Sarbanes-Oxley Act of 2002).

Related person transactions will be approved or ratified by the Audit and Risk Committee. In determining whether to approve or ratify a related person transaction, the Audit and Risk Committee will consider all relevant factors, including:

- whether the terms of the proposed transaction are at least as favorable to SI Financial as those that might be achieved with an unaffiliated third party;
- the size of the transaction and the amount of consideration payable to the related person;
- the nature of the interest of the related person;
- whether the transaction may involve a conflict of interest; and
- whether the transaction involves the provision of goods and services to SI Financial that are available from unaffiliated third parties.

A member of the Audit and Risk Committee who has an interest in the transaction will abstain from voting on the approval of the transaction but may, if so requested by the Chair of the Committee, participate in some or all of the discussion relating to the transaction.

Transactions with Related Persons

The Sarbanes-Oxley Act of 2002 generally prohibits loans by SI Financial to its executive officers and directors. However, the Sarbanes-Oxley Act contains a specific exemption from such prohibition for loans by Savings Institute to its executive officers and directors in compliance with federal banking regulations. Federal regulations require that all loans or extensions of credit to executive officers and directors of insured financial institutions must be made on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with persons not related to the Bank and must not involve more than the normal risk of collectability or present other unfavorable features. Savings Institute is therefore prohibited from making any new loans or extensions of credit to executive officers and directors at different rates or terms than those offered to the general public. Notwithstanding this rule, federal regulations permit Savings Institute to make loans to executive officers and directors at reduced interest rates if the loan is made under a benefit program generally available to all other employees and does not give preference to any executive officer or director over any other employee.

The Bank acquired Newport Federal in September 2013. Newport Federal maintained a loan program whereby employees, including executive officers and directors, could obtain loans with a one percent interest rate discount and reduced closing costs. The Bank assumed such loans as part of the merger. The following information is furnished for outstanding loans to related persons (directors, executive officers and their immediate family members) under these loan programs during 2013.

	Largest Aggregate Principal Outstanding for 2013	**Principal Outstanding at December 31, 2013**	**Principal Paid During 2013**	**Interest Paid During 2013**	**Interest Rate Payable**
William R. Harvey	$ 136,263	$ 123,097	$ 13,166	$ 3,584	2.75%

36

Table of Contents

All other outstanding loans made by Savings Institute to its directors and executive officers, and members of their immediate families, were made in the ordinary course of business, were made on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable loans with persons not related to Savings Institute, and did not involve more than the normal risk of collectability or present other unfavorable features.

In accordance with banking regulations, the Board of Directors reviews all loans made to a director or executive officer in an amount that, when aggregated with the amount of all other loans to such person and his or her related interests, exceed the greater of $25,000 or 5% of Savings Institute s capital and surplus (up to a maximum of $500,000) and such loan must be approved in advance by a majority of the disinterested members of the Board of Directors. Additionally, pursuant to SI Financial s Code of Ethics and Business Conduct, all executive officers and directors of SI Financial must disclose any existing or emerging conflicts of interest to the President and Chief Executive Officer of SI Financial. Such potential conflicts of interest include, but are not limited to: (1) SI Financial conducting business with or competing against an organization in which a family member of an executive officer or director has an ownership or employment interest; and (2) the ownership of more than 5% of the outstanding securities or 5% of total assets of any business entity that does business with or in competition with SI Financial.

Submission of Business Proposals

and Stockholder Nominations

The Company must receive proposals that stockholders seek to have included in the proxy statement for the Company s next annual meeting no later than December 3, 2014. If next year s annual meeting is held on a date more than 30 calendar days from May 14, 2015, a stockholder proposal must be received by a reasonable time before the Company begins to print and mail its proxy solicitation materials. Any stockholder proposals will be subject to the requirements of the proxy rules adopted by the Securities and Exchange Commission.

The Company s Bylaws provide that for a stockholder to make nominations for the election of directors or proposals for business to be brought before a meeting of stockholders, a stockholder must deliver written notice of such nominations and/or proposals to the Corporate Secretary not less than 90 days before the date of the meeting; provided that if less than 100 days notice or prior public disclosure of the meeting is given or made to stockholders, such notice must be delivered not later than the close of the tenth day following the day on which notice of the meeting was mailed to stockholders or such public disclosure was made.

Stockholder Communications

The Company encourages stockholder communications to the Board of Directors and/or individual directors. Stockholders who wish to communicate with the Board of Directors or an individual director should send their communications to the care of Laurie L. Gervais, Corporate Secretary, SI Financial Group, Inc., 803 Main Street, Willimantic, Connecticut 06226. Communications regarding financial or accounting policies should be sent to the attention of the Chairperson of the Audit and Risk Committee. All other communications should be sent to the attention of the Chairperson of the Nominating and Governance Committee.

Table of Contents

Miscellaneous

The Company will pay the cost of this proxy solicitation. The Company will reimburse brokerage firms and other custodians, nominees and fiduciaries for reasonable expenses incurred by them in sending proxy materials to the beneficial owners of the Company. In addition to soliciting proxies by mail, directors, officers and regular employees of the Company may solicit proxies personally or by telephone. None of these persons will receive additional compensation for these activities.

We have elected to take advantage of SEC rules that allow companies to furnish proxy materials to their stockholders on the Internet. We believe that these rules allow us to provide our stockholders with the information they need to vote at our Annual Meeting, while also lowering the costs of delivery and reducing the environmental impact of producing and distributing the related proxy materials.

Since April 2, 2014, the proxy materials for the 2014 Annual Meeting (which includes the 2013 Annual Report to Stockholders) have been available at the following web site: www.cfpproxy.com/6954. On this website, the Company also posts the Company s 2013 Annual Report on Form 10-K, as filed with the Securities and Exchange Commission. Any stockholder who wishes to receive a printed copy of proxy materials and the Annual Report may obtain a copy by writing to the Corporate Secretary of the Company. The Annual Report is not to be treated as part of the proxy solicitation material or as having been incorporated in this proxy statement by reference.

A copy of the Company s Form 10-K for the year ended December 31, 2013 as filed with the Securities and Exchange Commission, will be furnished without charge to all persons who were stockholders as of the close of business on March 12, 2014 upon written request to Laurie L. Gervais, Corporate Secretary, SI Financial Group, Inc., 803 Main Street, Willimantic, Connecticut 06226.

If you and others who share your address own your shares in street name, your broker or other holder of record may be sending only one annual report and proxy statement to your address. This practice, known as householding, is designed to reduce our printing and postage costs. However, if a stockholder residing at such an address wishes to receive a separate annual report or proxy statement in the future, he or she should contact the broker or other holder of record. If you own your shares in street name and are receiving multiple copies of our annual report and proxy statement, you can request householding by contacting your broker or other holder of record.

REVOCABLE PROXY

z **SI FINANCIAL GROUP, INC.** {

ANNUAL MEETING OF STOCKHOLDERS

MAY 14, 2014

9:00 A.M., LOCAL TIME

THIS PROXY IS SOLICITED ON BEHALF OF

THE BOARD OF DIRECTORS

The undersigned hereby appoints the official proxy committee of SI Financial Group, Inc. (the Company), consisting of Donna M. Evan and William R. Harvey, or each of them, with full power of substitution in each, to act as proxy for the undersigned, and to vote all shares of common stock of the Company that the undersigned is entitled to vote only at the annual meeting of stockholders to be held on May 14, 2014 at 9:00 a.m., local time, at the Savings Institute Bank and Trust Company Financial Center, 579 North Windham Road, North Windham, Connecticut, and at any and all adjournments or postponements, with all of the powers the undersigned would possess if personally present at such meeting as follows:

Mark here if you no longer wish to receive paper annual meeting materials and instead view them online. ¨

Mark here if you plan to attend the meeting. ¨

Mark here for address change. ¨

IMPORTANT ANNUAL MEETING INFORMATION

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE STOCKHOLDER MEETING TO BE HELD ON MAY 14, 2014.

THE PROXY STATEMENT AND THE ANNUAL REPORT ARE AVAILABLE AT:

http://www.cfpproxy.com/6954

FOLD HERE PLEASE DO NOT DETACH PLEASE ACT PROMPTLY

PLEASE COMPLETE, DATE, SIGN, AND MAIL THIS PROXY CARD IN THE ENCLOSED POSTAGE-PAID ENVELOPE

x **PLEASE MARK VOTES**

AS IN THIS EXAMPLE

	For	With-hold	For All Except
1. The election as directors of all nominees listed (unless the For All Except box is marked and the instructions below are complied with).	¨	¨	¨

Mark D. Alliod, Michael R. Garvey, Robert O. Gillard and Kathleen A. Nealon

INSTRUCTION: To withhold your vote for any individual nominee, mark FOR ALL EXCEPT and write that nominee s name on the line provided below.

Date

Please be sure to date and sign this proxy card in the box below.

Sign above   Co-holder (if any) sign above

Please sign exactly as your name appears on this card. When signing as attorney, executor, administrator, trustee or guardian, please give your full title. If shares are held jointly, each holder may sign but only one signature is required.

	For	**Against**	**Abstain**
2. The ratification of the appointment of Wolf & Company, P.C. as the independent registered public accounting firm of SI Financial Group, Inc. for the fiscal year ending December 31, 2014.	¨	¨	¨
	For	**Against**	**Abstain**
3. The approval of a non-binding resolution to approve the compensation of the named executive officers.	¨	¨	¨

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR EACH OF THE LISTED NOMINEES AND FOR EACH OF THE PROPOSALS.

This proxy is revocable and, if properly signed and dated, will be voted as directed, but if no instructions are specified, this proxy will be voted FOR each of listed nominees and for each of the proposals. If any other business is presented at the annual meeting, including whether or not to adjourn the meeting, this proxy will be voted by the proxies in their judgment. At the present time, the Board of Directors knows of no other business to be presented at the annual meeting.

x **6954 y**

Table of Contents

Dear Participant:

As a participant in the Savings Institute Bank and Trust Company Profit Sharing and 401(k) Savings Plan (the 401(k) Plan) and/or the Savings Institute Bank and Trust Company Employee Stock Ownership Plan, as amended and restated (the ESOP), I am forwarding you the enclosed **green** 401(k) Plan and/or **blue** ESOP voting instruction cards to convey your voting instructions to First Bankers Trust Services, Inc. (the Trustee for both the SI Financial Group, Inc. Stock Fund in the 401(k) Plan and the ESOP) on the proposals to be presented at the Annual Meeting of Shareholders of SI Financial Group, Inc. (the Company) to be held on May 14, 2014. Also enclosed is a Proxy Statement for the Annual Meeting of Shareholders and a copy of the Company s Annual Report to Shareholders.

As a holder of Company common stock through the 401(k) Plan and/or the ESOP, you are entitled to direct the Trustee how to vote the shares of Company common stock credited to your account(s) as of March 12, 2014, the record date for the Annual Meeting. If the Trustee does not receive your voting instructions by **May 5, 2014**, the Trustee will vote your shares in the same proportion as shares for which the Trustee has received voting instructions from other 401(k) Plan participants and/ or ESOP participants, subject to its fiduciary duties.

Please complete, sign and return the enclosed **green** and/or **blue** voting instruction cards in the postage-paid envelope provided by Registrar and Transfer Company. Your voting instructions will not be revealed, directly or indirectly, to any employee or director of the Company or the Savings Institute Bank and Trust Company.

If you participate in several employer-sponsored stock based benefit plans you will receive multiple voting instruction cards. Please submit all the voting instruction cards you receive.

Sincerely,

Rheo A. Brouillard
President and Chief Executive Officer

Table of Contents

VOTING INSTRUCTION CARD

z **SI FINANCIAL GROUP, INC.** {

SAVINGS INSTITUTE BANK AND TRUST COMPANY

PROFIT SHARING AND 401(K) SAVINGS PLAN (401(k) PLAN)

VOTING INSTRUCTION CARD

SI FINANCIAL GROUP, INC.

ANNUAL MEETING OF STOCKHOLDERS

May 14, 2014

I hereby direct First Bankers Trust Services, Inc. (as trustee for SI Financial Group, Inc. Stock Fund in the 401(k) Plan) to vote all shares of SI Financial Group, Inc. common stock credited to my 401(k) Plan account at the SI Financial Group, Inc. Annual Meeting of Stockholders, and at any and all adjournments or postponements, as follows:

FOLD HERE PLEASE DO NOT DETACH PLEASE ACT PROMPTLY

PLEASE COMPLETE, DATE, SIGN AND RETURN THIS VOTING INSTRUCTION CARD IN THE ENCLOSED POSTAGE-PAID ENVELOPE BY MAY 5, 2014.

x **PLEASE MARK VOTES**

AS IN THIS EXAMPLE

For	With-hold	For All Except

1. The election as directors of all nominees listed (unless the For All Except box is marked and the instructions below are complied with). ¨ ¨ ¨

Mark D. Alliod, Michael R. Garvey, Robert O. Gillard and Kathleen A. Nealon

INSTRUCTION: To withhold your vote for any individual nominee, mark FOR ALL EXCEPT and write that nominee s name on the line provided below.

Date

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

SIGNATURE OF 401(k) PLAN PARTICIPANT

	For	Against	Abstain
2. The ratification of the appointment of Wolf & Company, P.C. as the independent registered public accounting firm of SI Financial Group, Inc. for the fiscal year ending December 31, 2014.	¨	¨	¨

	For	Against	Abstain
3. The approval of a non-binding resolution to approve the compensation of the named executive officers.	¨	¨	¨

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR EACH OF THE LISTED NOMINEES AND FOR EACH OF THE PROPOSALS.

Upon execution of this voting instruction card I acknowledge receipt from the Company, before the execution of this voting instruction card, of a Notice of Annual Meeting of Stockholders, a Proxy Statement for the Annual Meeting and the Annual Report to Stockholders.

x **7490 y**

Table of Contents

VOTING INSTRUCTION CARD

z **SI FINANCIAL GROUP, INC.** {

SAVINGS INSTITUTE BANK AND TRUST COMPANY

EMPLOYEE STOCK OWNERSHIP PLAN (ESOP)

VOTING INSTRUCTION CARD

SI FINANCIAL GROUP, INC.

ANNUAL MEETING OF STOCKHOLDERS

MAY 14, 2014

I hereby direct First Bankers Trust Services, Inc. (the ESOP Trustee) to vote all shares of SI Financial Group, Inc. common stock allocated to my ESOP account at the SI Financial Group, Inc. Annual Meeting of Stockholders, and at any and all adjournments or postponements, as follows:

FOLD HERE PLEASE DO NOT DETACH PLEASE ACT PROMPTLY

PLEASE COMPLETE, DATE, SIGN AND RETURN THIS VOTING INSTRUCTION CARD IN THE ENCLOSED POSTAGE-PAID ENVELOPE BY MAY 5, 2014.

x **PLEASE MARK VOTES**

AS IN THIS EXAMPLE

	For	With-hold	For All Except
1. The election as directors of all nominees listed (unless the For All Except box is marked and the instructions below are complied with).	¨	¨	¨

Mark D. Alliod, Michael R. Garvey, Robert O. Gillard and Kathleen A. Nealon

INSTRUCTION: To withhold your vote for any individual nominee, mark FOR ALL EXCEPT and write that nominee s name on the line provided below.

Date

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

SIGNATURE OF ESOP PARTICIPANT

	For	Against	Abstain
2. The ratification of the appointment of Wolf & Company, P.C. as the independent registered public accounting firm of SI Financial Group, Inc. for the fiscal year ending December 31, 2014.	¨	¨	¨

	For	Against	Abstain
3. The approval of a non-binding resolution to approve the compensation of the named executive officers.	¨	¨	¨

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR EACH OF THE LISTED NOMINEES AND FOR EACH OF THE PROPOSALS.

Upon execution of this voting instruction card I acknowledge receipt from the Company, before the execution of this voting instruction card, of a Notice of Annual Meeting of Stockholders, a Proxy Statement for the Annual Meeting and the Annual Report to Stockholders.

x **7491 y**

Table of Contents

Dear Stock Award Recipient:

On behalf of the Board of Directors of SI Financial Group, Inc. (the Company), I am forwarding you the enclosed **yellow** vote authorization form to convey your voting instructions to First Bankers Trust Services, Inc. (the Trustee) on the proposals to be presented at the Annual Meeting of Stockholders of SI Financial Group, Inc. to be held on May 14, 2014. Also enclosed is a Proxy Statement for the Annual Meeting of Stockholders and a copy of the Company s Annual Report to Stockholders.

You are entitled to vote all shares of restricted stock awarded to you under the SI Financial Group, Inc. 2005 and 2012 Equity Incentive Plans (collectively referred to as the Equity Incentive Plan) that are unvested as of March 12, 2014, the record date for the Annual Meeting. The Trustee will vote the shares of the Company s common stock held in the Equity Incentive Plan Trust in accordance with instructions it receives by **May 5, 2014**. If the Trustee does not receive your voting instructions by that date, the Trustee will vote your unvested shares of Company common stock as directed by the Company.

Please complete, sign and return the enclosed **yellow** vote authorization form in the postage-paid envelope provided. Your vote will not be revealed, directly or indirectly, to any employee or director of the Company or the Savings Institute Bank and Trust Company.

Sincerely,

Rheo A. Brouillard
President and Chief Executive Officer

Table of Contents

VOTE AUTHORIZATION FORM

I understand that First Bankers Trust Services, Inc. is the holder of record and custodian of all unvested restricted shares of SI Financial Group, Inc. (the Company) common stock awarded to me under the SI Financial Group, Inc. 2005 and 2012 Equity Incentive Plans. Further, I understand that my voting instructions are solicited on behalf of the Company s Board of Directors for the Annual Meeting of Stockholders to be held on May 14, 2014.

Accordingly, please vote my shares as follows:

1. The election as directors of all nominees listed (unless the For All Except box is marked and the instructions below are complied with).

Mark D. Alliod, Michael R. Garvey, Robert O. Gillard and Kathleen A. Nealon

FOR	WITHHOLD	FOR ALL EXCEPT
..	..	..

INSTRUCTION: To withhold your vote for any individual nominee, mark FOR ALL EXCEPT and write that nominee s name on the line provided below.

2. The ratification of the appointment of Wolf & Company, P.C. as the independent registered public accounting firm of SI Financial Group, Inc. for the fiscal year ending December 31, 2014.

FOR	AGAINST	ABSTAIN
..	..	..

3. The approval of a non-binding resolution to approve the compensation of the named executive officers.

FOR	AGAINST	ABSTAIN
..	..	..

Table of Contents

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR EACH OF THE LISTED

NOMINEES AND FOR EACH OF THE PROPOSALS.

First Bankers Trust Services, Inc. is hereby authorized to vote any unvested restricted shares awarded to me as indicated above.

Date Signature

Please complete, date, sign and return this form in the enclosed, postage-paid envelope no later than May 5, 2014.