



October 27, 2009

NewAlliance Bancshares Corporate Governance Guidelines

NewAlliance Bancshares, Inc. ("the Company") (when used herein, the "Company" may also refer to NewAlliance Bank, its subsidiary, as appropriate) is committed to developing effective, transparent, and accountable corporate governance practices. These Corporate Governance Guidelines have been approved by our Board of Directors as a set of guiding principles by which we will govern the affairs of the Company.

Responsibilities of the Board of Directors

The business of the Company is conducted by our employees, managers, and officers under the direction of the Chief Executive Officer ("CEO"). The Board's primary responsibility is to oversee on behalf of the shareholders the conduct of the Company's business, provide advice and counsel to the CEO and senior management, protect the Company's best interests, and foster the creation of long-term value for our shareholders. The Board's specific responsibilities include:

- Selecting, evaluating, compensating (by delegation to the Compensation Committee), and when appropriate, replacing the CEO; overseeing CEO and executive succession planning and development
- Providing counsel to the CEO and senior management regarding the development and review of the Company's strategic plan, approving the strategic plan, and monitoring progress relative to its implementation
- Reviewing and approving the annual corporate budget, capital and operating plans, and monitoring corporate performance against plans
- Reviewing and approving major corporate actions or initiatives, including, but not limited to, significant acquisitions or divestitures, material capital expenditures, stock splits, and dividends. The Board will also establish and revise guidelines for expenditures and other corporate actions requiring Board approval
- Identifying and assessing major risks affecting the business of the Company, establishing risk tolerance levels and reviewing options for addressing or mitigating risks
- Overseeing, through its Audit, Compliance and CRA Committee, an independent review of the Company's audit and financial reporting
- Appointing directors to fill vacancies, nominating director candidates for election by shareholders and planning for director succession as needed.

Responsibilities of Individual Directors

- To attend Board meetings and meetings of Board committees on which they serve, having read and considered the pre-reading materials in advance of the meetings so as to arrive prepared to discuss, question, express a point of view, and act on agenda items.

Board

members are also encouraged to attend shareholders' meetings

- To keep current on relevant developments in business, corporate governance, and specific issues pertaining to the Company and to the financial services industry
- To participate constructively in Board and committee meetings, drawing upon their individual experience, knowledge, and background, as appropriate, to provide perspectives and insights
- To exhibit leadership in modeling the highest standards in integrity and corporate governance, consistent with these Guidelines and the Company's Code of Conduct

Director Qualifications

Candidates for the Board of Directors are selected based upon their character, track record of accomplishments in leadership roles, as well as their professional and corporate experience, skills and expertise. We seek to align Board composition with the Company's strategic direction so that Board members bring skills, experience, and background that are relevant to the key strategic and operational issues that they will review, oversee, and approve. Community leadership and diversity are also important considerations in reviewing and selecting Board candidates. Where other criteria in terms of character, skills, experience, and track record are assessed by the Governance Committee to be equivalent - we give preference to those candidates who provide diversity to our Board, reside in the communities served by the Company and/or have demonstrated leadership in the communities the Company serves. A director may not serve on the board of more than four (4) public companies (including NewAlliance Bancshares, Inc.). The Board may establish from time to time goals and criteria for directors designed to produce a high performing Board.

Director Independence

The majority of the Board of Directors must satisfy the Director independence requirements of the New York Stock Exchange ("NYSE") and the Securities and Exchange Commission ("SEC") (the "independence criteria"). Three of the Board's committees - the Audit, Compliance and CRA Committee, the Compensation Committee, and the Governance Committee - shall be comprised entirely of independent directors as defined under the relevant independence criteria. The Governance Committee shall review the independence of Board members on an ongoing basis and, at least once a year, make a determination of each director's independence against the independence criteria and report to the Board on this matter. In the event a Board member loses his or her status as an independent director, such Board member shall tender his or her resignation from the Board in writing to the CEO and the Chair of the Governance Committee/Lead Director. The Governance Committee shall review the director's particular circumstances and the Company's needs, and recommend to the Board, whether, in light of these considerations, the Board should accept the director's resignation or request that the director continue to serve. The Governance Committee also shall be responsible for recommending changes to the size and composition of the

Audit, Compliance and CRA, Compensation, and Governance Committees in order to ensure that these committees remain entirely comprised of independent directors.

Director Tenure

In order to ensure continuity, the Board of Directors is divided into three classes, each serving a three-year term, such that the term of one class of directors expires each year. There are no term limits for directors, other than a policy that Board members shall be considered to have resigned from the Board at the Annual Meeting next following the date on which they reach the age of seventy-two.

Directors Who Change Present Job Responsibility

A Board member who experiences a material change in his or her employment or professional position (other than due to normal retirement), shall tender his or her resignation from the Board in writing to the Chairman of the Board and the Lead Director. The Governance Committee shall review the Board member's service on the Board, and recommend to the Board, whether, in light of all of the circumstances, the Board should accept such proposed resignation or request that the Director continue to serve.

Director Recruitment, Orientation, and Continuing Education

Director Recruitment and Re-Nomination

The Governance Committee shall be responsible for identification and recruitment of director candidates and shall submit recommendations with respect to the nomination of new Board members for a vote by the independent directors of the Board. In developing recommendations for new Board candidates, the nominating process used by the Governance Committee consists of the following steps:

- The Governance Committee reviews the NewAlliance Board of Director Qualifications and Board composition to determine particular skills or experience to be added or replaced through the recruitment of new Board members
- Against these needs and against the Company's NewAlliance Board of Director Qualifications, the Governance Committee reviews the background and experience of Board candidates proposed by Board members, members of senior management, shareholders and, if appropriate, any executive recruiter(s) retained by the Committee to assist in identification of Board candidates
- Based on this preliminary review, the Governance Committee will develop a "short list" of leading candidates who will be interviewed by the Governance Committee and by the CEO. Reference checks on leading candidates will also be conducted, including gathering references and perspectives from other members of the Board
- The Governance Committee then makes recommendations on Board candidates that are submitted to a vote of the independent directors of the Board of the Company. Those approved by a majority of the independent directors shall be nominated for election by the shareholders at the Company's next Annual Meeting

The Governance Committee shall also review in a similar fashion, and submit recommendations with respect to the re-nomination of incumbent directors at the expiration of their terms and for the filling of Board vacancies for a vote by the independent directors of the Board.

Director Orientation

Upon election to the Board by shareholders, new directors shall participate in an orientation session designed jointly by the Governance Committee and the Company's senior management to provide a working knowledge of the Company, its corporate strategy, priorities and performance, the financial services industry, the operation of the Board, and the director's duties and responsibilities. The orientation session will involve presentations by the CEO, senior management and business unit leaders of the Company, Board members (particularly committee members), and if appropriate, outside legal counsel and the Company's auditors. The Governance Committee shall regularly review the orientation program and update or modify the program, as appropriate.

Continuing Education

Each Board member is responsible for her/his own continuing education and for reporting to the Corporate Secretary on a timely basis of the courses taken. However, the Governance Committee will become familiar with courses and educational programs for directors offered by various associations, universities, institutes, etc. and will make recommendations from time to time to the Board with respect to either in-house or external programs to be offered to Board members. Continuing education topics may range from educational sessions specific to issues relevant to the Company and its industry to sessions covering corporate governance trends and issues. Education sessions may be conducted by third party providers or from the Company's

in-house resources. Each Board member is required to attend at least one Risk Metrics (f/k/a "ISS") or similarly-accredited director education program on an annual basis.

Director Compensation

The Compensation Committee is responsible for reviewing directors' compensation levels and practices and making recommendations to the full Board with respect to directors' pay after considering comments from the Governance Committee. In making recommendations regarding directors' compensation, the Compensation Committee shall consider whether the elements and overall level of director pay are consistent with good governance practices, pay levels at comparable public companies and director independence.

Board Access to Management

Directors have full access to members of the Company's senior management team. As a courtesy, directors will exercise their judgment to ensure that this access does not impede or interfere with the conduct of the Company's business and is coordinated, wherever possible, through the CEO.

Members of the senior management team attend meetings of the Board, where the CEO determines that their presence would be appropriate to deal with agenda items or otherwise, or as requested by the Board. Efforts are made to ensure that regular interaction occurs between the Board members and the senior management team either through participation in Board meetings, Board presentations, or otherwise.

Lead Director/Chairman of the Board

The Company has a Chairman of the Board who is also the Chief Executive Officer and President. In accordance with best governance practices, the Company shall also have a Lead Director. The Chair of the Governance Committee, who shall be an independent director as defined by the rules of the NYSE, shall serve as Lead Director of the Company. The responsibilities and duties of the Lead Director are set out in the Charter of the Governance Committee. The effectiveness of the Lead Director shall be reviewed annually as part of the Board assessment process. The Governance Committee shall review and make recommendations to the full Board, as appropriate, regarding succession plans for the Lead Director. In the event the Company's executive succession plan contemplates the possibility of a non-executive Chairman of the Board, permanently or on an interim basis, the Governance Committee shall make recommendations to the full Board for that position.

Executive Sessions

At least quarterly, a private executive session of the non-management directors of the Company is held. At least one such meeting each year shall be limited to "independent directors" as defined by the rules of the NYSE, if different from "non-management directors". Private executive sessions are typically scheduled in conjunction with Board meetings. The Lead Director is responsible for developing the agenda for the private executive sessions, chairing such sessions and debriefing with the CEO on issues arising therefrom.

Board Access to Independent Advisors

The Board has the authority to retain legal advisors, financial advisors, executive compensation consultants, search firms, and any other advisor or consultant, as it deems appropriate at the Company's expense. In the event that the Board determines to retain any such advisor, it has the sole authority to approve and direct the scope of the assignment, fees, and other terms of retention.

Executive Succession Planning

The Board receives updates and recommendations from the Compensation Committee regarding leadership development and succession planning for the CEO and other key members of the senior management team. The Compensation Committee leads the annual review of CEO performance, in which all Board members provide input, and oversees the CEO's performance review of senior executives for purposes of compensation decisions, succession planning, and leadership development. The Compensation Committee also recommends to the Board and regularly reviews and updates a plan for succession of the CEO, the CFO and the COO in the event of an emergency.

Board Assessment and Succession

The Board is committed to continuous improvement in corporate governance and conducts a comprehensive annual self-assessment of the performance of the Board and its committees, led by the Governance Committee. The assessment is designed to identify areas where the Board is particularly effective and surface opportunities for further enhancement. The annual Board assessment process may be supplemented by an individual director assessment or review process. The Governance Committee shall be responsible for reviewing and making recommendations to the Board regarding Director succession issues.

Publication of Governance Documents

These Corporate Governance Guidelines, the Code of Conduct and the charters of all of the Company's Board committees will be published on the Company's website, as required by NYSE and SEC rules. These documents shall be reviewed at least annually by the Governance Committee, which will make recommendations to the Board with respect to any updates or modifications to these documents. Updated versions shall be posted on the website as soon as they become available.

Interested Party Access

Interested parties, including shareholders wishing to communicate directly with the independent Board members should send any such communication to the Lead Director in care of the Executive Office of the Company at 195 Church Street, 4th Floor, New Haven, CT 06510. Any such communication will be reviewed by the Lead Director and discussed with the Governance Committee, which will determine an appropriate response or course of action.

Shareholders wishing to recommend candidates to serve as Board members may do so by sending to the attention of the Lead Director at the above address the candidate's name, a detailed biography outlining the candidate's relevant background, professional and business experience, community leadership and other significant accomplishments, an acknowledgement from the candidate that he or she would be willing to serve on the Board if nominated and elected, a statement by the shareholder outlining the reasons why this candidate's skills, experience, background etc. would make a valuable contribution to the Board and a minimum of two references who have either worked with the candidate, served on a Board with the candidate or can otherwise provide relevant perspective on the candidate's capabilities as a potential Board member. The deadline by which such recommendations must be received by the Lead Director will be published in the Company's Proxy Statement each year. Shareholder recommendations provided to the Lead Director within this timeframe will be reviewed using the nominating process outlined in these Guidelines.