

CORPORATE GOVERNANCE GUIDELINES OF LAKELAND BANCORP, INC.

These Corporate Governance Guidelines set forth the functions, composition, committees and operations of the Board of Directors (“Board”) and are designed to form the framework for governance of Lakeland Bancorp, Inc. (“Company”).

The Board's Corporate Governance Guidelines and committee charters reflect NASDAQ listing standards as well as regulatory requirements. The Board recognizes that governance principles will continue to evolve in the future and that the Board continually will review and revise them from time to time in light of changing circumstances.

Functions of the Board

Criteria for composition of the Board, selection of new directors

Setting the criteria for composition of the Board and the selection of new directors are Board functions. In fulfilling its responsibilities, the Nominating and Corporate Governance Committee, in consultation with the Chairman and Chief Executive Officer, periodically reviews the criteria for composition of the Board and evaluates potential new candidates for Board membership. The committee then makes recommendations to the Board. Upon approval the Chairman, Chief Executive Officer and the Chair of the Nominating and Corporate Governance Committee shall extend the invitation to each new Board member.

In general, the Board wishes to balance the needs for professional knowledge, business expertise, varied industry knowledge, financial expertise, and executive-level business management experience, with a goal of having a diverse Board membership.

Each candidate nominated to serve on the Board shall satisfy the following criteria (the “Minimum Criteria”) together with such other criteria as shall be established by the Nominating and Corporate Governance Committee:

- such nominee shall satisfy any legal requirements applicable to members of the Board;
- such nominee must not serve as attorney for any other financial institution or bank or savings and loan holding company and must not be on the board of any other bank, savings and loan or similar entity, or their respective holding company;
- such nominee shall have business or professional experience that will enable such nominee to provide useful input to the Board in its deliberations;
- such nominee shall have a willingness and ability to devote the time necessary to carry out the duties and responsibilities of Board membership;

- such nominee shall have a desire to ensure that the Company's operations and financial reporting are effected in a transparent manner and in compliance with applicable laws, rules and regulations;
- such nominee shall have a dedication to the representation of the best interests of the Company and its shareholders;
- such nominee shall have a reputation, in one or more of the communities serviced by the Company and its subsidiaries, for honesty and ethical conduct;
- such nominee shall have a working knowledge of the types of responsibilities expected of members of the board of directors of a public corporation and, particularly, a bank holding company;
- such nominee shall have experience, either as a member of the board of directors of another public or private entity (including non-profits) or in another capacity, that demonstrates the nominee's capacity to serve in a fiduciary position;
- such nominee shall recognize and fulfill his/her fiduciary responsibility as a representative of the shareholders in the role of director;
- such nominee shall have a working knowledge of the business, economic, social, charitable and professional attributes of the communities serviced by the Company and its subsidiaries; and
- such nominee shall satisfy the qualifications of directors as set forth in the Company's By-Laws, as amended and restated.

Assessing the Board's performance The Nominating and Corporate Governance Committee annually reviews and reports to the Board on the performance of the Board as a whole with a view to increasing the effectiveness of the Board.

Formal evaluation of the Chief Executive Officer Reporting to the Board, the Compensation Committee, in consultation with the Chairman of the Board, makes an evaluation of the Chief Executive Officer at least annually. This will normally be in connection with a review of executive officer annual compensation.

Succession planning and management development Succession planning is considered at least annually by the non-management directors with the Chief Executive Officer. Generally, the Nominating and Corporate Governance Committee considers management development in preparation for discussion by the full Board.

Strategic reviews The Board shall engage in discussions on strategic issues and ensure that there is sufficient time devoted to director interchange on these subjects.

Board and management compensation review The Compensation Committee makes periodic recommendations to the Board regarding director compensation based on comparisons with relevant peer groups.

Except as authorized by the Board, non-management directors receive no compensation from the Company other than their Board compensation. Officer-directors receive no separate compensation for

their Board service.

Compensation of officer-directors is recommended by the Compensation Committee and then submitted to the Board for its ratification. Compensation of senior management, other than officer-directors, is determined by the Chief Executive Officer, who reviews such decisions with the Compensation Committee.

**Non-Delegable
Actions of the Board**

The Company's Board may delegate responsibility for certain actions within the scope of the Board's authority to the extent such delegation is permissible by applicable law. Any such matters delegated to a committee of the Board must be within the scope of authority granted to such committee in its charter. Notwithstanding any such delegation, the Board shall remain responsible for such actions and the committees and/or persons to whom such actions have been delegated shall report the status of such matters to the Board from time to time as directed by the Board. However, the Company believes that the following matters may not be delegated outside the Board and must be addressed by the Board as a whole:

- any matter which is required by applicable law to be acted upon by the Board, such as amendments to the Company's articles of incorporation, issuances of shares, share repurchases and declarations of dividends;
- any exception of the Company's Code of Conduct; and
- any acquisition or disposition of a subsidiary or affiliate company.

Board composition

**Size and composition
of the Board**

While the Board's size is set in its Restated Certificate of Incorporation to be in a range of 5 to 25 directors, (the Board annually sets the number of directors after consideration of the existing size and skill sets in relation to the current banking environment with a preference to maintain a smaller Board for the sake of efficiency). A majority of directors will be independent directors under NASDAQ's independence standards.

**Definition of
independence**

Independence determinations. The Board may determine a director to be independent if the Board, through the Nominating and Corporate Governance Committee, has affirmatively determined that the director satisfies the independence criteria as established by the NASDAQ listing rules.

Relationship to an entity. The relationship between the Company and an entity will be considered in determining director independence

where a director serves as an officer of the entity or, in the case of a for-profit entity, where the director is a general partner of or owns more than 5% of the entity. Such relationships will not be deemed relevant to the independence of a director who is a non-management director or a retired officer of the entity unless the Board determines otherwise.

For-profit entities. Where a director is an officer of a for-profit entity that is a client of the Company, whether as borrower or otherwise, the financial relationship between the Company and the entity will not be deemed material to a director's independence if the relationship was entered into in the ordinary course of business of the Company and on terms substantially similar to those that would be offered to comparable counterparties in similar circumstances.

Banking and other financial services. The Company provides banking services, extensions of credit and other financial services in the ordinary course of its business. The Sarbanes-Oxley Act prohibits loans to directors, as well as executive officers, except certain loans in the ordinary course of business and loans by an insured depository institution subject to Regulation O of the Board of Governors of the Federal Reserve System. Any loans to directors are made pursuant to applicable law, including the Sarbanes-Oxley Act and Regulation O. Regulation O also applies to banking relationships with certain family members of a director and to entities owned or controlled by a director. All such relationships that are in the ordinary course of business will not be deemed material for director independence determinations unless a director has an extension of credit that is on a non-accrual basis.

Change of job responsibility

Directors will provide prior notice in writing to the Nominating and Corporate Governance Committee of any change in their occupation or any proposed service on the board of a public or private company or any governmental position.

Director tenure

The Board does not believe it appropriate to institute fixed limits on the tenure of directors because the Company and the Board would thereby be deprived of experience and knowledge.

Retirement age

Effective as of July 1, 2011, directors will retire from the Board effective as of the conclusion of the annual meeting following the date on which the director attains age 72. Such retirement shall occur notwithstanding the fact that such director's term may not have concluded.

Limits on board and committee memberships

Each person serving as a director must devote the time and attention necessary to fulfill the obligations of a director. Key obligations include appropriate attendance at Board and committee meetings and appropriate review of preparatory material. Directors are also expected to attend the annual meeting of shareholders. Unless the Board determines that the carrying out of a director's responsibilities to the

Company will not be adversely affected by the director's other directorships, a director will not serve on the board of more than two other public companies (neither of which shall be a bank, savings and loan or similar entity, or their respective holding company).

Stock ownership requirements

Although the Company's By-laws establishes a minimum value of \$1,000 of shares of Company stock to be held by directors, the Board has established a goal that directors own or otherwise control, at a minimum, the number of shares or share equivalents of Company stock equal to five times (5x) the director annual retainer fee, with new directors attaining that goal within five years. The Compensation Committee will periodically review this stock ownership goal.

Board committees

Number of committees, reporting by committees and assignment and rotation of committee membership

The Board as a whole is responsible for the oversight of management on behalf of the Company's shareholders. The Board is assisted in its oversight function by Board committees.

The Board has the following primary committees: Audit, Compensation, and Nominating and Corporate Governance. The Board has allocated oversight of certain risk matters, such as the review of major financial and accounting risk exposures and related party transactions, to the Audit Committee. The number and responsibilities of committees are reviewed periodically.

Committee minutes generally will be provided to the Board at the next regularly scheduled Board meeting following a committee meeting.

Membership on the committees is reviewed each year by the Nominating and Corporate Governance Committee, in consultation with and concurrence by the Chairman, and approved by the Board. Each committee shall elect its own chair and co-chair. Each committee member and chair serves at the pleasure of the Board. Although there is no strict committee rotation policy, the Board considers experience on each of the committee to be valuable in developing the experience of each director and directs the Nominating and Corporate Governance Committee to consider rotation in committee assignments, as well as committee needs, director experience, interest and availability, and evolving legal and regulatory considerations.

Each of the members of the Audit Committee, the Compensation Committee, and the Nominating and Corporate Governance Committee will be directors for whom the Board has made an independence determination. Management Officer-directors generally do not serve on any primary committee. Management Officer-directors may attend committee meetings at the invitation of the committee chair. Directors

may attend all primary committee meetings.

In reviewing the composition of Board committees, the Board will also consider any listing and/or regulatory qualifications as may be applicable to specific committees.

Board operations

Non-executive chairman

The Board currently has a non-executive Chairman but has no set policy with respect to the separation of the offices of Chairman of the Board and the Chief Executive Officer. We believe that this issue is part of the succession planning process, and that it is in the best interests of the Company for the Board to make this determination from time to time.

Chairman

The non-management directors shall appoint a Chairman who will preside at any meeting of the Board. The Chairman will facilitate communication between the CEO and the non-management directors as appropriate and perform such other functions as the Board may direct. The Chairman may call meetings of the non-management directors at such time and place as she or he determines.

Lead Director

A Lead Director will be appointed annually by the Board if the Chairman is determined not to be independent. The Lead Director shall be independent of the Company and its management consistent with NASDAQ criteria. The Lead Director will preside over executive sessions of the Board and act as the liaison between independent directors, the Chairman of the Board and Chief Executive Officer. The Lead Director will also perform such other duties as may be assigned by the Board from time to time.

Executive sessions for non-management directors

The independent directors will generally meet in executive session as necessary, but no less than twice annually, in conjunction with regularly scheduled Board meetings, with the Chairman presiding. (In the event that the Chairman is determined not to be independent, the Lead Director will preside at these sessions.) These sessions will provide the opportunity for discussion of such other topics as the independent directors may find appropriate, with discussion to be facilitated by the Chairman or Lead Director, in the event that the Chairman is determined not to be independent, or the chair of the committee most relevant to the topic.

Committee and Board agendas

Committee agendas are prepared based on expressions of interest by committee members and recommendations of management. The Chief Executive Officer, in consultation with the committee chairs, may give input to final agendas that the respective committee chairs will approve prior to committee meetings. The Chief Executive Officer, in consultation with the Chairman of the Board, prepares Board agendas based on discussions with all directors and issues that arise.

Board and committee materials and presentations Information regarding items requiring Board and/or committee approval shall be distributed sufficiently in advance to permit adequate preparation.

Regular attendance of non-directors at Board and committee meetings Non-directors, including members of management, may be present at Board and committee meetings at the invitation of the Chairman or chairperson of such committees.

Board access to senior management Board members have complete access to senior management.

Board interaction with institutional investors and press Company management shall be the sole contact with institutional investors and media. From time to time, directors may be asked by the Board or management to speak with such parties, as appropriate.

Confidentiality of information In order to facilitate open discussion, the Board believes maintaining confidentiality of information and deliberations is imperative.

Board access to outside resources The main responsibility for providing assistance to the Board rests on the internal organization. The Board and Board committees can, if they wish to do so and as set forth in their respective charters, seek legal or other expert advice from a source independent of management and shall be provided the resources for such purposes. Generally this would be with the knowledge of the Chief Executive Officer, but this is not a condition to retaining such advisors.

Director orientation and continuing education At such time as a director joins the Board, the Board, Chairman and the Chief Executive Officer will provide appropriate orientation for the director, including arrangement of meetings with management. The Board considers it desirable that directors participate in continuing education opportunities and considers such participation an appropriate expense to be reimbursed by the Company.

Code of business conduct and ethics The Company has a comprehensive code of ethics that addresses compliance with law; reporting of violations of the code or of laws or regulations; employment and diversity; confidentiality of information; protection and proper use of the Company's assets; conflicts of interest; and other financial transactions. Each director is expected to be familiar with and to follow the code of conduct to the extent applicable to them. Conflict of interest determinations and related party transactions relating to directors shall be presented to the Audit Committee, with notice simultaneously provided to the Nominating and Corporate Governance Committee for informational purposes, and subsequently reported to the Board at the next regularly scheduled meeting by the Audit Committee.

Repricing of stock options

It is the policy of the Board not to reprice stock options issued by the Company by reducing the option's exercise price. The Board favors equitable adjustment of an option's exercise price in connection with a reclassification of the Company's stock; a change in the Company's capitalization; a stock split; a restructuring, merger, or combination of the Company, or other similar events in connection with which it is customary to adjust the exercise price of an option and/or the number and kind of shares subject thereto.