

Peapack – Gladstone Financial Corporation

Corporate Governance Principles

These principles are intended to provide best practice guidelines for governance of Peapack - Gladstone Financial Corporation and its committees.

Director Qualification Standards and Selection

The Board will have a majority of Directors who meet the NASDAQ Stock Market's criteria for independence. The Nominating Committee will review the requisite skills and characteristics of new board members as well as the composition of the Board as a whole. This assessment will include a consideration of independence, diversity, skills and experience in the context of the needs of the Board.

There is no established limit on the number of terms a Director may serve, provided that:

All Directors of Peapack-Gladstone Financial Corporation and Peapack-Gladstone Bank shall be required to retire on the last day of the year in which they obtain the age of 72; provided, that those Directors in office as of July 17, 2008 who are as of that date within 5 years of obtaining the age of 72 shall be eligible to serve as a Director until the final day of the year in which those Directors obtain the age of 75.

Basic criteria for selection include:

1. As a general rule, it is the desire of the Board that Directors shall live and/or work in the communities served by the Company's subsidiary bank.
2. Directors must at all times remain in compliance with the stock ownership requirements set forth in the Peapack-Gladstone Financial Corporation Stock Ownership Guidelines.
3. Directors shall be experienced in business, shall be financially literate and shall be respected members of their communities.
4. Directors shall have high ethical and moral standards and sound personal finances.
5. A Director may not serve on the Board of any other bank that serves the same market area as Peapack-Gladstone Financial Corporation and may only serve on the Board of three other publicly-traded companies.
6. If there is an opening, the Nominating Committee shall evaluate the qualifications of persons who may be recommended to it as potential candidates based on information the Committee may deem relevant.

The number of Directors is established by the Board from time to time in accordance with the By-laws.

Director Duties and Responsibilities

1. The basic responsibility of Directors is to exercise their business judgment and to act in a manner they believe to be in the best interests of the Company and its shareholders.
2. Directors have a responsibility to exercise sound business judgment to ensure that the Company and its subsidiaries are operated in a safe and sound manner, in conformity with all applicable regulatory requirements.
3. Directors are responsible for evaluating management.
4. The Board is responsible to determine the independence of Directors.
5. Directors are expected to regularly attend Board and Committee meetings.
6. Directors are expected to be prepared for meetings in order to properly discharge their duties.
7. Directors owe the Company a duty of confidentiality and will not disclose matters discussed in Board meetings.
8. It is in the best interests of the Company to have one voice. Therefore, Directors will refrain from discussing Company business and designate the CEO to be the primary spokesperson for the Company. If a Board response to an issue is necessary, the Board may appoint a spokesperson from among the independent Directors.
9. Directors are fiduciaries of the Company and as such, owe a duty of loyalty, a duty of care and a duty of candor. Directors must disclose all personal interests in matters affecting the Company, must exercise due care in examining issues and must ascertain that relevant facts are disclosed to affected parties.
10. Directors must avoid conflicts of interest. When Directors find themselves in a potential conflict of interest, their responsibility is 1) formally inform the Board of the conflict; and 2) disqualify themselves from discussing or voting on that matter.
11. Directors must refrain from purchasing or selling Company securities when in possession of undisclosed material information about the Company and must not disclose such information to others. Directors must adhere to the Company's Blackout Policy.
12. Directors must adhere to all SEC requirements concerning prompt disclosure of their transactions in Company securities.
13. Directors are expected to assist the Company in developing new business.
14. If a Director is involved in conduct which is detrimental to the Company's reputation, he/she should resign from the Board. Such conduct includes, among other acts, personal bankruptcy, federal or state indictments, convictions of a crime, professional misconduct or unethical practices.

15. Directors shall have oversight of the By-laws and the Certificate of Incorporation of the Company.

Director Access to Officers, Employees and Records

Directors have full and free access to officers, employees and records of the Company and, as necessary, any appropriate independent advisors.

Board Meeting Schedules

Not later than December of each year, the Board shall adopt a meeting schedule for the subsequent year.

The schedule will provide for regularly scheduled meetings and semi-annual executive sessions to include only independent Directors. These independent director sessions will be chaired by the Lead Director.

The Board agenda and materials will be distributed to Directors in advance of all meetings.

Board Committees

The Board will at all times have an Audit Committee, a Compensation Committee, a Nominating Committee, and a Risk Committee. Other than the Risk Committee, these committees shall be comprised of only independent directors under the criteria of independence established by the NASDAQ Stock Market.

Members and the Chair of these committees will be appointed by the Board upon recommendation from the Nominating Committee.

Each committee will have its own charter setting forth the purpose, authority and responsibility of the committee.

The Chair of each committee will establish a schedule of meetings and an agenda for meetings. The schedule for each committee will be provided to the Board.

Each committee will periodically report on its activities to the full Board.

At least annually, each committee will review its charter and submit it to the Board for approval. Annually, the Board will make committee appointments from the recommendations of the Nominating Committee.

Director Compensation

Director compensation will be reviewed by the Compensation Committee at least annually. The form and amount of Director compensation will be determined by the Compensation Committee

in accordance with the policies and principles set forth in its charter which shall include appropriate benchmarking against other companies.

The Committee will consider that Directors' independence may be jeopardized if compensation and perquisites exceed customary levels, if the Company makes substantive charitable contributions to organizations with which a Director is affiliated, or if the Company enters into consulting contracts with (or provides other indirect forms of compensation to) a Director or an organization with which the Director is affiliated.

Director Orientation and Continuing Education

Within 6 months of election or appointment to the Board, a new Director must participate in orientation to the Company.

Orientation will include a meeting with each member of the Company's executive management team and its internal auditor to familiarize the new Director with the Company's strategic plans, its significant financial, accounting and risk management issues, its compliance programs, its Code of Business Conduct and Ethics, its principal officers, and its business. These meetings shall be conducted on Company premises.

During the orientation period, the Director is encouraged to otherwise familiarize him or herself with the Company's business.

Directors are encouraged to pursue continuing education to assist them in the discharge of their duties as Directors.

CEO Evaluation and Management Succession

The Compensation Committee will conduct an annual review of the CEO's performance, as set forth in its charter. The Board will review the Compensation Committee's report in order to ensure that the CEO is providing the best leadership for the Company in the long and short term.

The Nominating Committee shall review annually the Management Succession Plan, and as appropriate make recommendations to the full Board for changes thereto. The full Board will work with the Nominating Committee to evaluate potential successors to the CEO. The Nominating Committee and the Board will consider the recommendation and evaluation of the CEO of potential successors along with any development plans recommended for a potential candidate.

The Board will disclose the policies and principles of the CEO selection, performance review, and policies regarding succession in the event of an emergency or retirement of the CEO.

Transactions with Related Persons

The Nominating Committee shall review and ratify any transaction between the Company and any related person, promoter or control person which exceeds \$120,000 and which is subject to

the requirements of Regulation S-K, Item 404(a). The standard of review, and requirement for ratification, shall be that, in the determination of the Nominating Committee, the transaction serves the best interest of the Shareholders.

Policy Changes

This Policy will be submitted to the Board of Directors for approval on an annual basis.

Policies that are completely/substantially rewritten must be submitted to the Board of Directors for approval.

Interim policy changes may be enacted with the approval of a Policy Making Officer of the Bank. Interim policy changes include changes made in accordance with regulatory, organizational, procedural and technological changes, policy recommendations and comments made by the Bank's regulators, auditors and consultants as well as correction of typos and grammar.

All interim policy changes will be recorded on the policy cover page, and the revised policy file name amended to include "R#" to indicate the current interim revision number. All revisions will be submitted to the Board of Directors in conjunction with the annual approval.

Compliance

These Corporate Governance Principles are the policy of the Company and have been adopted and approved by the Board of Directors.

Compliance with these standards and Policy are an ongoing condition to remain a Director or to seek reelection.

I have read, understand and will comply with the Corporate Governance Principles that are set forth herein.

/s/ Finn M. W. Caspersen, Jr. /s/ Edward A. Merton

/s/ Anthony J. Consi /s/ F. Duffield Meyercord

/s/ Edward A. Gramigna, Jr. /s/ John R. Mulcahy

/s/ Douglas L. Kennedy /s/ Philip W. Smith III

/s/ Frank A. Kissel /s/ Craig C. Spengeman

/s/ John D. Kissel /s/ Beth Welsh

/s/ James R. Lamb