March 8, 2012

Sterling Bancorp
Corporate Governance Guidelines

I. Introduction

The Board of Directors of Sterling Bancorp (the “Company”), acting on the recommendation of its Corporate Governance and Nominating Committee, has developed and adopted a set of corporate governance principles (the “Guidelines”) to promote the functioning of the Board and its committees and to set forth a common set of expectations as to how the Board should perform its functions. These Guidelines are designed with the Company’s current business operations, ownership, capital structure, and economic conditions in mind and will continue to evolve with changing circumstances.

II. Board Composition

The composition of the Board should balance the following goals:

The size of the Board should facilitate substantive discussions of the whole Board in which each director can participate meaningfully;

The composition of the Board should encompass a broad range of skills, expertise, industry knowledge, diversity of opinion and contacts relevant to the Company’s business;

A majority of the Board shall consist of directors whom the Board has determined have no material relationship with the Company and who are otherwise “independent” under the rules of the New York Stock Exchange, Inc.

III. Selection of Chairman of the Board and Chief Executive Officer

The Board selects its Chairman and the Company’s Chief Executive Officer (“CEO”). The By-Laws of the Company provide that the positions of Chairman and CEO be held by the same person.

IV. Selection of Directors

Nominations. The Company’s Corporate Governance and Nominating Committee is responsible for recommending to the Board a slate of directors or one or more nominees to fill vacancies occurring between annual meetings of shareholders. The Board is responsible for selecting the nominees for election to the Company’s Board of Directors at the annual shareholders’ meeting, and for making appointments to fill vacancies, which may occur on the Board between annual shareholders’ meetings.

Criteria. The Board should, based on the recommendation of the Corporate Governance and Nominating Committee, select nominees for the position of director considering the following criteria:

Personal qualities and characteristics, accomplishments and reputation in the business community;

Current knowledge and contacts in the communities in which the Company does business and in the Company's industry or other industries relevant to the Company's business;

Ability and willingness to commit adequate time to Board and committee matters;

The fit of the individual's skills and personality with those of other directors and potential directors in building a Board that is effective, collegial and responsive to the needs of the Company; and

Diversity of viewpoints, background, experience and other demographics.

Invitation. The invitation to join the Board should be extended by the Board itself via the Chairman of the Board and CEO of the Company.

Orientation and Continuing Education. Management, working with the Board, will provide an orientation process for new directors, including background material on the Company, its business plan and its risk profile, and meetings with senior management. Periodically, management should prepare additional educational sessions for directors on matters relevant to the Company, its business plan and risk profile.

V. Election Term

The Board does not believe that arbitrary term limits are appropriate.

VI. Retirement of Directors

The Board does not believe it should establish a mandatory retirement age.

VII. Board Meetings

The Board currently plans at least four meetings each year, with further meetings to occur (or action to be taken by unanimous consent) at the discretion of the Board. The meetings will usually consist of committee meetings and the Board meeting.

The agenda for each Board meeting will be set by the Chairman and prepared by the Corporate Secretary or other designated officer. Management will provide to all directors appropriate materials in advance of meetings, as practicable.

The Board shall serve an oversight function in reviewing the Company's overall risk management process. The Board shall regularly review risk management issues, including identification of risks and methods of risk monitoring and assessment. Management shall periodically review with the Board identified risks and mitigation strategies.

Materials presented to the Board or its committees should provide the information needed for the directors to make an informed judgment.

VIII. Executive Sessions

To ensure free and open discussion and communication among the non-management directors of the Board, the non-management directors will meet in executive sessions periodically. The Chairman/CEO, President or Chief Financial Officer may be invited to attend part of such sessions to present information or respond to questions. The Chairman of the Corporate Governance and Nominating Committee will preside at the executive sessions of the Board of Directors.

IX. The Committees of the Board

The Company shall have at least the committees required by the rules of the New York Stock Exchange, Inc., which committees are the Audit Committee, the Compensation Committee and the Corporate Governance and Nominating Committee. Each of these three committees must have a written charter satisfying the rules of the New York Stock Exchange, Inc.

All directors, whether members of a committee or not, are invited to make suggestions to a committee chair for additions to the agenda of his or her committee or to request that an item from a committee agenda be considered by the Board. Each committee chair will give a periodic report of his or her committee's activities to the Board.

Each of the Corporate Governance and Nominating Committee, the Audit Committee and the Compensation Committee shall be composed of at least three directors whom the Board has determined have no material relationship with the Company and who are otherwise "independent" under the rules of the New York Stock Exchange, Inc. Members of the Audit Committee shall also be independent under the standards of the Securities and Exchange Commission set forth in Rule 10A-3. A director may serve on more than one committee.

X. Management Succession

At least annually, the Board shall review and concur in a succession plan, developed by management, addressing the policies and principles for selecting a successor to the CEO, both in an emergency situation and in the ordinary course of business. The succession plan should include an assessment of the experience, performance, skills and planned career paths for possible successors to the CEO.

XI. Executive Compensation

The Board, acting through or with the Compensation Committee, evaluates and approves the proposals for overall compensation policies applicable to each of the CEO and the President, evaluates the performance of each of the CEO and the President and the Company against the Company's goals and objectives, and approves the compensation level of each of the CEO and the President.

XII. Board Compensation

The Corporate Governance and Nominating Committee or the Board should review at least once every three years the components and amount of Board compensation in relation to other similarly situated companies. Board compensation should be consistent with market practices but should not be set at a level that would call into question the Board's objectivity.

XIII. Expectations of Directors

The business and affairs of the Company shall be managed by or under the direction of the Board in accordance with New York law. In performing their duties, the primary responsibility of the directors is to exercise their business judgment in the best interests of the Company. The Board has developed specific expectations of directors to promote the discharge of this responsibility and the efficient conduct of the Board's business.

1. *Commitment and Attendance.* All independent and management directors should make every effort to attend meetings of the Board and meetings of committees of which they are members.

2. *Participation in Meetings*. Each director should be sufficiently familiar with the business of the Company, including its financial statements, capital structure, risks and competition it faces, to facilitate active and effective participation in the deliberations of the Board and of each committee on which he or she serves. Upon request, executive management will make appropriate personnel available to answer questions a director may have about any aspect of the Company's business. Materials will be provided by management and advisors in advance of the meetings of the Board and its committees for review by the directors.

3. *Loyalty and Ethics*. In their roles as directors, all directors owe a duty of loyalty to the Company. This duty of loyalty mandates that the best interests of the Company take precedence over any interests possessed by a director.

The Company has adopted a Code of Business Conduct and Ethics, including a compliance program to enforce the Code. Certain portions of the Code deal with activities of directors, particularly with respect to transactions in the securities of the Company, potential conflicts of interest, the taking of corporate opportunities for personal use, and competing with the Company. Directors should be familiar with the Code's provisions in these areas and should consult with the Company's general counsel in the event of any issues.

4. *Other Directorships.* The Company values the experience directors bring from other boards on which they serve, and recognizes that those boards may also present demands on a director's time and availability and may present conflicts or legal issues. Directors should advise the Chair of the Corporate Governance and Nominating Committee

and the Chairman/CEO before accepting membership on other boards of directors or other significant commitments involving affiliation with other businesses or governmental units.

5. *Contact with Management.* All directors are invited to contact the Chairman/CEO at any time to discuss any aspect of the Company's business. Directors also have complete access to other members of management. The Board expects that there will be regular opportunities for directors to meet with the Chairman/CEO, President and Chief Financial Officer in Board and committee meetings.

The Board encourages management to, from time to time, bring managers into Board meetings who: (a) can provide additional insight into the items being discussed because of personal involvement and knowledge in those areas, and/or (b) are managers with future potential that the Chairman/CEO, President or Chief Financial Officer believe should be given exposure to the Board.

6. *Contact with Other Constituencies* In order for the Company to speak to employees and outside constituencies with a single voice, management shall serve as the primary spokesperson.

7. *Confidentiality.* The proceedings and deliberations of the Board and its committees are confidential. Each director shall maintain the confidentiality of information received in connection with their service as a director.

XIV. Evaluating Board Performance

The Board, acting through the Corporate Governance and Nominating Committee, should conduct a self-evaluation at least annually to determine whether it is functioning effectively. The Corporate Governance and Nominating Committee should periodically consider the mix of skills and experience that directors bring to the Board to assess whether the Board has the necessary means to perform its oversight function effectively.

Each of the Audit Committee, the Compensation Committee and the Corporate Governance and Nominating Committee should conduct a self-evaluation at least annually and report the results to the Board. Each committee's evaluation must compare the performance of the committee with the requirements of its written charter. The Board should evaluate at least annually each of its other committees to determine whether they are functioning effectively.

XV. Reliance on Management and Outside Advice

In performing its functions, the Board is entitled to rely on the advice, reports and opinions of management, counsel, accountants, auditors and other expert advisors. The Board shall have the authority to retain and approve the fees and retention terms of its outside advisors.