

LAKELAND BANCORP, INC.

CODE OF ETHICS

Revised 11/08

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I. INTRODUCTION

A. Administration of the Code of Ethics.

The Board of Directors has adopted this **Code of Ethics** and delegated to the CEO the responsibility for its administration throughout the Company.

It is the responsibility of each Director and Employee to be familiar with this code of business conduct and to abide by the letter and spirit of its provisions at all times. All new Employees are provided with a copy of the Code at the time of their orientation. Supervisors are expected to make every reasonable effort to ensure that their staff continually is in compliance with the provisions of the Code.

The Board of Directors approve and ratify this Code annually, and, as part of this procedure, each Director and Employee will be required to annually certify familiarity with the Policy by signing a **Code of Ethics Acknowledgement and Agreement of Compliance** form (**Exhibit No. 2 – Sample form**) and sending it to the Human Resources Department. The Human Resources Department is required to annually send a copy of the Board-approved Code & Acknowledgement form to all Officers and Employees. In addition, the Human Resources Department will follow up to ensure that all required signed Acknowledgements have been obtained and are placed in personnel files.

B. Definitions.

In this document, the following definitions are used:

Code: The Company's Code of Ethics, as amended from time to time.

Company: Lakeland Bancorp, Inc. and/or all direct and indirect subsidiaries currently existing or hereafter formed or acquired, which employ personnel or have Boards of Directors.

CEO: The Chief Executive Officer of the Company.

Director; Board(s) of Directors: Includes all members of the Board of Directors of the Company and its banking and corporate subsidiaries, and also includes any member of the board or managers of any subsidiaries that may be organized as limited liability companies.

Employee: Includes all employees and officers of the Company and its Subsidiaries.

Executive Officer: An Employee of the Company who participates or has authority to participate (other than in the capacity of a Director) in major policy making functions of the Company and/or Subsidiaries.

Immediate Family: Includes father, mother, spouse, civil union partner, natural, adoptive and stepchildren and dependants of a Person, any other individual residing in the same household

as the Person, and any individual or organization that represents or acts as an agent or fiduciary for such individuals.

Insider: Includes an Executive Officer, Director, or Principal Shareholder, and includes any Related Interest of such Person.

Insider Transaction: Includes banking and other business transactions between the Company and its Directors, Executive Officers, Principal Shareholders, and their Related Interests.

Lakeland: Lakeland Bank.

Person: Any individual referred to in the definition section of the Code.

Principal Shareholder: Generally, an owner of more than ten percent (10%) of any class of voting securities.

Related Interest: Includes a company, entity or political campaign committee that is controlled by an Insider or the funds or services of which will benefit an Insider.

Subsidiary: Includes all direct and indirect subsidiaries of the Company currently existing or hereafter formed or acquired.

C. General Policies and Guidelines on Legal and Ethical Standards

Careful observance and compliance with applicable law and regulations and the maintenance of extremely high standards of honesty, integrity, impartiality, and conduct are essential to assure the proper performance of the Company's business and the maintenance of the public's trust. The preservation of that trust and of the Company's reputation requires close observance of these standards on the part of the Company's Directors and Employees.

All Directors and Employees of the Company are advised of the federal bank bribery law, 18 U.S.C. Section 215, which provides for severe penalties to whoever:

“(1) corruptly gives, offers or promises anything of value to any person, with intent to influence or reward an officer, director, employee, agent, or attorney of a financial institution in connection with any business or transaction of such institution; or

(2) as an officer, director, employee, agent, or attorney, of a financial institution, corruptly solicits or demands for the benefit of any person, or corruptly accepts or agrees to accept anything of value from any person, intending to be influenced or rewarded in connection with any business or transaction of such institution, shall be (guilty of an offense).”

There are certain exceptions to the above rule concerning the receipt of gifts. Please refer to Section IV of this Code.

VIOLATIONS OF THE PROVISIONS OF THIS CODE MAY RESULT IN SANCTIONS, INCLUDING THE IMMEDIATE TERMINATION OF EMPLOYMENT AS A DIRECTOR OR EMPLOYEE OF THE COMPANY.

The Company requires that its Directors and Employees avoid possible misconduct and conflicts of interest through informed judgment and careful regard for the applicable standards of conduct and responsibilities described in this Code and elsewhere. In all situations, including those where there are no applicable legal principals or the law is unclear or in conflict, the Company's Directors and Employees are expected to exercise good judgment in the discharge of their responsibilities and conduct themselves in such a manner that is in the best interest of the Company and conforms to the spirit of the Code and other policies.

Compliance with the Code is the responsibility of every Director and Employee of the Company. The needs of the community are to be given consideration in making business decisions.

D. Convictions

In order to ensure a safe working environment for all of our employees and at the same time comply with regulatory and other requirements, all Directors and Employees are required to immediately report to the Human Resources Department any and all criminal convictions, guilty pleas or "no contest" pleas involving any criminal charges against such Director or Employee. This requirement covers all crimes including, but not limited to, drug-related matters and crimes involving dishonesty, false statements, fraud or breach of fiduciary duty. Failure to do so will result in disciplinary action, including termination.

E. Whistleblower Provision

1. Whistleblower Protection

The Sarbanes-Oxley Act of 2002 (the "Act") created new whistleblower protections for employees of publicly traded companies. The Act prohibits retaliation of any kind against employees who in good faith engage in certain whistle-blowing activities and provides that employers must not "discharge, demote, suspend, threaten, harass, or in any other manner discriminate against" any employee in the terms and conditions of employment because the employee participates in good faith in lawfully protected conduct that is designed to expose or assist with investigations of federal fraud violations.

Similar to the Act, New Jersey's Conscientious Employee Protection Act ("CEPA"), also provides certain protection from retaliatory action toward employees who, in good faith, report illegal or unethical work place activities. Please see **Exhibit No. 1** for additional information

regarding CEPA and also note that this same information is available on the employee bulletin board at each administrative location and branch of Lakeland.

2. Policy Statement

It is the responsibility of all Directors and Employees of the Company to maintain the highest ethical standards, including appropriate accounting and internal financial controls. To this end, all Employees shall submit, in good faith, items of ethical concerns and suspected misconduct or policy violations, including without limitation: concerns regarding financial and other disclosures, internal accounting and disclosure controls, questionable accounting or auditing matters or other violations of the Company's Code or other policies, and such matters described in:

- i. Section 806 of the Act (wire fraud, mail fraud, bank fraud, and securities fraud), violation of any U.S. Securities and Exchange Commission ("SEC") rule or regulation, or any federal rules relating to fraud against shareholders,
- ii. Section 301 of the Act (questionable accounting, internal controls, and auditing matters),
- iii. Item 406 of Regulation S-K (conduct that is not honest and ethical, conflicts of interest, and disclosures in SEC reports and other public disclosures that are not full, fair, accurate, timely, and understandable),
- iv. The NASDAQ proposed listing standards (conflicts of interest and violations of laws, rules, regulations or the code of ethics), and
- v. CEPA.

In accordance with applicable law, the Company will not permit retaliation of any kind against an Employee who, in good faith, files, causes to be filed, testifies, participates in, or otherwise assists in a proceeding filed or about to be filed regarding any matter covered in these procedures. The Company will not discharge, demote, suspend, threaten, harass or in any manner discriminate against any Employee in the terms and conditions of employment based upon any lawful actions of such Employee with respect to good faith reporting of complaints regarding the above described items or otherwise.

The Company will attempt to maintain, if requested, the anonymity of the reporting individual and the confidentiality of the information that is reported. However, it should be noted that in order to conduct an effective investigation, it might not be possible to maintain confidentiality and anonymity in all instances.

Conduct that may violate the Code but does not involve violations of applicable securities laws and regulations, accounting standards, accounting controls and audit practices and other public disclosures ("Accounting Matters") may appropriately be reported to Company personnel specially trained in receiving and dealing with such complaints. For example, harassment violations typically are reportable to the Vice President of Human Resources. Other matters may be reported to the CEO, any Executive Vice President, the General Counsel or the Senior Vice President of Internal Audit. In the event that a good faith complaint involves a violation of

Accounting Matters or Non-Accounting Matters by the CEO, the Employee may direct the communication to the Audit Committee pursuant to the procedures outlined below.

3. Whistleblower Procedures

The following procedures have been designed to encourage individuals to come forward with good faith concerns (including anonymous complaints), to assure individuals of protection against retaliation, and provide for prompt investigation and correction of any raised concerns, while ensuring that the Company's Audit Committee receives a report of all Employee complaints involving possible violations of Accounting Matters.

- i. The financial matters of the Company are expected to be fairly and accurately reported and in compliance with all applicable securities laws and regulations, accounting standards, accounting controls and audit practices (the "Standards"). Prohibited activities, such as fraud and the misrepresentation of financial records, will not be tolerated and violators will be subject to prosecution to the fullest extent of the law.
- ii. The Company encourages all individuals to raise good faith concerns they have regarding any suspected violations of the Standards by reporting them as outlined in this procedure. It is further noted that individuals have a responsibility to report suspected violations and that reporting suspected violations anonymously is sufficient.
- iii. A complaint can be made by telephone, e-mail, or mailed directly to the CEO, any Executive Vice President, the General Counsel or the Senior Vice President of Internal Auditing. Upon receipt of complaints, the CEO, Executive Vice President, General Counsel or Senior Vice President of Internal Auditing shall determine whether the complaint pertains to Accounting Matters and, when possible, acknowledge receipt of the complaint to the sender.
- iv. In addition, a post office box has been established at the Oak Ridge Post Office for communications to the Internal Audit Department and/or to the Audit Committee.

Internal Audit Department
Lakeland Bancorp, Inc.
P.O. Box 146
Oak Ridge, New Jersey 07438

Audit Committee
Lakeland Bancorp, Inc.
P.O. Box 146
Oak Ridge, New Jersey 07438

- v. Any mail received through the post office box will be delivered unopened to the addressee. Please mark the envelope "Personal and Confidential". Complaints received through the post office box shall be handled in a similar manner as described above.

- vi. Complaints pertaining to Accounting Matters shall be reviewed under Audit Committee direction and oversight by the General Counsel and Senior Vice President of Internal Audit or such other persons as the Audit Committee determines to be appropriate.
- vii. Prompt and appropriate corrective action will be taken when and as warranted in the judgment of the Audit Committee, in conjunction with the General Counsel or Senior Vice President of Internal Audit, and shall, when possible, report to the complaining Employee the action taken in response to a complaint.
- viii. The Senior Vice President of Internal Audit shall maintain a log of all complaints, tracking their receipt, investigation and resolution and shall prepare a summary report thereof for the Audit Committee. Copies of complaints, responses and log shall be maintained in accordance with the Company's document retention policy.
- ix. The Company will not discharge, demote, suspend, threaten, harass or in any manner discriminate against any Employee in the terms and conditions of employment based upon any lawful actions of such Employee with respect to good faith reporting of complaints regarding Accounting Matters or otherwise.

II. CONFIDENTIALITY OF INFORMATION / PRIVACY

A. Policy Statement

The use of confidential information obtained through or as a consequence of employment by the Company must be limited to the proper conduct of the Company's business. All information concerning the Company's customers, prospective customers, vendors or agents, or their accounts or transactions with the Company, including but not limited to their financial, business and credit information, and all non-public information regarding the Company's business, finances, systems, procedures and intellectual property, is considered "Confidential or Proprietary Information." Employees must safeguard all such Confidential or Proprietary Information in accordance with applicable law, the Company's policies, as amended from time to time, and any applicable confidentiality/non-disclosure agreements or arrangements that the Company may have with third parties. Confidential or Proprietary Information shall be safeguarded, maintained and used in accordance with applicable law solely for purposes of conducting the Company's business, and shall not be used, disclosed, sold, given or exchanged to benefit any other party.

B. Company Policy

It is the policy of the Company that all Directors, Employees and other representatives may only use, or permit others to use, Confidential or Proprietary Information in accordance with regulatory requirements and Company policies, which include the following policies and procedures that are referenced and incorporated as part of the Code:

1. Privacy of Consumer Financial Information. (Refer to Policy C-4; Regulation P). Regulation P governs the treatment of nonpublic personal information about consumers by financial institutions.

2. Information Security & Customer Data Privacy. (Refer to Policy C-8). Requirements include:

- Assurance of the security and confidentiality of customer information;
- Protection against any anticipated threats or hazards to the security or integrity of customer information; and
- Protection against unauthorized access to or use of customer information that could result in substantial harm, or inconvenience, to any customer.

3. Employee Guide to Information Security.

III. CONFLICT OF INTEREST

A. Company Policy.

It is the policy of the Company that all Directors, Employees and all Persons must avoid potential conflicts of interest in order to ensure the high standards of conduct and personal integrity essential for the Company to maintain the confidence of its customers, Employees and the general public. A potential conflict exists whenever a Director, Employee or Person has an outside interest – direct or indirect – which conflicts with their duty to the Company or Subsidiary or adversely affects their judgment or the discharge of their responsibilities. All Persons also should be aware that the appearance of a conflict of interest may be just as damaging to the Company’s reputation as an actual conflict.

Directors, Employees and Persons are:

1. To act with honesty and integrity, avoiding actual or apparent conflicts of interest in personal and professional relationships;
2. To act in good faith, responsibly, and with due care, competence and diligence, without misrepresenting material facts or allowing one’s independent judgment to be affected, impaired or compromised;
3. To endeavor to deal fairly with the Company’s customers, suppliers, competitors and other Employees. No one should take unfair advantage through manipulation, concealment, abuse of privileged information, misrepresentation of material fact, or any unfair-dealing practice;
4. Prohibited from self-dealing or otherwise trading on their positions with the Company or accepting from one conducting or seeking to conduct business with the Company a business opportunity not available to other

persons or that is made available because of such Person's position with the Company; and

5. Prohibited from using the name of the Company or that of a Subsidiary to enhance their own opportunities when dealing with others in their political, investment or retail purchasing activities.

Any violations or suspected violations of criminal law, as soon as it is discovered, shall be reported by: (a) Directors to the Chairman of their respective Boards; and (b) Employees to the CEO. As applicable, the Chairman or CEO shall cause the suspected violation to be investigated and, depending upon the findings of such investigation and as and where appropriate, reported to the applicable regulatory agencies, as required by law, appropriate law enforcement agencies and insurance carriers and bonding companies.

In the event that an actual or potential conflict of interest arises involving an Employee, its nature and extent should be fully disclosed immediately to the Employee's immediate supervisor, and in the case of an Officer to the CEO who, after making a thorough review of the circumstances, shall determine the appropriate course of action to be taken. In the case of actual or potential conflict of interest arises involving an Executive Officer, the CEO will report to the Audit Committee which will determine appropriate action to be taken. Officers and Employees must disclose all potential and actual conflicts of interest, including those in which they have been inadvertently placed due to either business or personal relationships with customers, suppliers, business associates or competitors.

In the event of an actual or potential conflict of interest involving a Director, its nature and extent should be fully disclosed immediately to the Board of Directors, which shall inform the CEO of such conflict and the action which shall be taken.

B. Fiduciary Appointment.

Except for a member of an Employee's immediate family, prior approval by the CEO is required before an Employee may accept an appointment as a fiduciary or co-fiduciary (executor, administrator, guardian, or trustee) of customers of Lakeland.

To avoid the appearance of any impropriety, Directors should exercise reasonable caution in accepting appointment as a fiduciary or co-fiduciary, executor, administrator, guardian, or trustee of a customer of Lakeland.

C. Beneficiary (or Legatee) Under a Will or Trust.

Employees must report any gift of a beneficial interest or legacy under wills or trusts of customers of Lakeland, other than a relative, at such time as the Employee learns of the gift or designation. The objective of this notification requirement is to allow for consideration of all the facts in each case to make certain that the Employee has not received the benefit by reason of

undue influence and that a reasonable, disinterested third party could not allege a conflict of interest upon the Employee in receipt of the benefit.

If this reporting requirement results in a decision that a real or apparent conflict exists or could exist, the Officer or Employee will be expected to make every effort to be relieved of the expectation of benefit and shall be required to disclaim and renounce the benefit or gift.

D. Lending Relationships.

It is the policy of the Company that lending services are available to serve the legitimate and deserving credit needs of all customers on an equal basis. Loan terms and conditions shall be based upon a borrower's credit-worthiness.

1. Prohibited Lending Practices.

Lending Officers are not permitted to process loan applications or to extend credit to members of their Immediate Family or to such other family members and relatives in accordance with the restrictions set forth in Lakeland's Loan Policies and Procedures, as amended from time to time. For the purpose of this section only, the definition of "Immediate Family" includes grandparents, aunts, uncles and siblings, as well as those persons listed in Section I, "Introduction." Any such loan application must be handled solely by another Lending Officer

Lending Officers are not permitted to extend credit to companies in which the Lending Officer has an interest as a director, officer, controlling person, partner, or as an investor, or in which a member of the Lending Officer's immediate family has such an interest.

No loans to Directors or Employees will be made under terms and conditions different from those stated in the Lending Policy of the Subsidiary granting the loan. Documentation for Employee or Insider transactions will be the same as required for all transactions involving non-Employees and non-Insiders.

Under no conditions shall an Employee or Insider be permitted to be present during the approval process of any transaction from which the Employee or Insider will benefit directly or indirectly.

2. Arm's Length Credit Underwriting.

Federal Reserve Regulation O (Loans to Executive Officers, Directors, and Principal Shareholders) prohibits institutions from extending credit to Insiders at interest rates, or on terms, more favorable than those available to non-Insiders in comparable transactions. The Company must also use credit underwriting procedures that are not less stringent than those applicable to non-Insiders. In addition, the Bank may not extend credit involving more than a "normal risk of default."

E. Outside Employment.

Employees should carefully scrutinize outside employment, including the performance of any services for compensation, to avoid potential conflicts of interest and excessive demands on their time. Outside employment may not be undertaken if it will interfere with job performance or have the appearance of a conflict of interest with the Company.

In particular, Employees should be aware of various statutes and regulations either prohibiting or restricting dual service, employment or rendering of services in the financial industry, including service as a director, officer or employee of any other unaffiliated commercial bank, banking association, trust company, savings bank, savings and loan association or credit union or an organization primarily engaged in the issuance, underwriting, public sale or distribution of stocks, bonds or other securities.

F. Participation in Public Affairs.

It is the philosophy of the Company to encourage on the part of its Employees a full awareness of and interest in civic and political responsibility. Each Employee shall have the opportunity to support community activities or the political process, as he or she desires.

Voluntary efforts for civic activities shall take place outside of regular business hours and shall not interfere or otherwise adversely affect the Employee's performance of their duties and responsibilities.

Neither the Company nor any Person acting on its behalf shall establish any program to solicit, collect or distribute political contributions from a Person. No Person shall be under any obligation of any kind to utilize their compensation to make political contributions and no Person or other Person acting on behalf of the Company's behalf shall seek to create or enforce any such obligation.

Nothing contained in this section is intended to discourage Persons from active personal involvement in the political process, including the making of personal political contributions, or to otherwise limit the rights and obligations of Persons as responsible citizens. Notwithstanding the foregoing, this Code (i) requires that before a Person seeks or accepts a nomination or appointment to any public office, whether paid or unpaid, that Person must first obtain the Company's prior approval (which shall be presented to and reviewed by the Human Resources Department); and (ii) prohibits political campaigning, wearing and/or displaying political campaign slogans, distributing political literature, and/or soliciting campaign funds at or in the work place.

G. Corporate Directorships, Public Offices and Commissions

Directors and Employees must be constantly aware when considering election or appointment to corporate boards, public offices, or commissions, that serving in such capacity will not place

them in a position where a potential conflict of interest may exist. As noted above, Directors and Employees should be aware of various statutes and regulations that prohibit or restrict dual service in the financial industry, including service as a director of any other unaffiliated commercial bank, banking association, trust company, savings bank, savings and loan association or credit union or an organization primarily engaged in the issuance, underwriting, public sale or distribution of stocks, bonds or other securities.

Unless specifically approved by the CEO and/or the Board of Directors, no Director or Employee shall serve on the board of directors of any financial services entity, which is in direct competition with the Company. If a conflict or regulatory issues associated with such services or appointment develops, the Company reserves the right to request the Director or Employee involved to divest themselves of one of the conflicting interests. In like manner, no director, officer, employee or substantial shareholder of another company shall be permitted to serve as a director of the Company or any Subsidiary where such circumstances exist.

IV. IMPROPER USE OF CORPORATE POSITION OR PROPERTY

A. Receipt of Gifts.

The Company expects all Directors and Employees to conduct themselves in accordance with the terms and spirit of the Code and, as applicable, render efficient and courteous service to its customers without expectation of reward for such service. To avoid the appearance or implication of impropriety, it is important that each Person decline any gifts (except as permitted below) that, if accepted, could be perceived by others as an attempt at or improper influence.

It is recognized, however, that certain gift giving in connection with the business of the Company may occur without the intent to influence or reward corrupt or improper activity. Exceptions to the general prohibition of accepting things of value in connection with the business of the Company include acceptance of non-cash items which are:

1. Based on obvious family or personal relationships (such as those between parents, children, or spouse of a corporate official) where the circumstances make it clear that it is those relationships, rather than the business of the Company, which are the motivating factors;
2. Meals, refreshments, entertainment, accommodations or travel arrangements, all of reasonable value, in the course of a meeting or other occasion, the purpose of which is to hold bona fide business discussions or to foster better business relations, provided that the expense would be paid for by the Company as a reasonable business expense if not paid for by another party. Such expenses shall not exceed a value of two hundred dollars (\$200.00);

3. Advertising or promotional material of reasonable value, such as pens, pencils, note pads, key chains, calendars and similar items; Discounts or rebates on merchandise or services that do not exceed those available to other customers;
4. Gifts of reasonable value that are related to commonly recognized events or occasions, such as a promotion, new job, wedding, retirement, holiday or birthday, provided, however, such gifts shall not exceed a value of one hundred dollars (\$100.00);
5. Gifts of reasonable value that are related to commonly recognition of service and accomplishment; provided, however, such awards shall not exceed a value of one hundred dollars (\$100.00); and
6. Not intended to influence any decision by the Person, unsolicited, infrequent and not a *quid pro quo*.

UNDER NO CIRCUMSTANCES SHALL ANY PERSON ACCEPT ANY CASH OR ANY OTHER FORM OF MONEY AS A GIFT FROM A CUSTOMER.

Except as specifically provided above, if an Employee is offered or receives something of value from a customer, the Employee immediately must disclose such facts to the CEO, an Executive Officer or the Vice President of Human Resources. The Company will keep written reports of such disclosures in accordance with its record retention policies. Management will review the disclosures to determine whether or not what is offered or accepted is reasonable, with due consideration to the criteria for permissible gifts and whether receipt poses a threat to the integrity of the Company, and shall take such necessary and appropriate action following such review.

B. Preferential Treatment.

No Director or Employee of the Company shall acquire, or appropriate to his or her own personal use, any Company property, service, or profits opportunity on the basis of, or under situations not available to, members of the public. If a business opportunity relating to the Company's lines of business becomes available to or made known to a Person, it must first be made available to the Company before being acted upon by that Person, their Immediate Family, Related Interests or other Person or party without prior approval by, in the case of a Director, the Board of Directors, and in the case of an Employee, the CEO or an Executive Officer. Use of Company facilities, real or personal property, or personnel must be approved in advance, in the case of a Director by the Board of Directors, and the in case of an Employee by the CEO.

C. Community Involvement.

Funds of the Company and its Subsidiaries shall not be used for the purpose of making contributions or expenditures in connection with elections to any local, state, and federal office.

D. Corporate Communications.

The CEO, Chief Financial Officer, Chief Operating Officer or their designees, are the only authorized spokesperson for all corporate communications that may be received from the press, unaffiliated entities, individuals or investors regarding the Company's business activities. Such communications involve exposure to certain risk, including legal and reputational risk, and it is critically important that, unless approved in advance by the CEO, Chief Financial Officer, Chief Operating Officer or their respective designees, that all Persons refrain from conducting interviews with the media, publishing articles in various publications, presenting at industry conferences or engaging in similar public communications in any manner reflective of or relating to their association with the Company or Subsidiaries.

All such inquiries must be reported to the CEO, or the CEO's designees, immediately after an inquiry is received by a Person.

V. BORROWING

Persons and their Immediate Families should borrow only from reputable organizations, which regularly lend money. Borrowings from any financial institution, including correspondent banks and their subsidiaries, must not involve favored treatment of any kind and should be obtained on substantially the same terms, including rate of interest, as prevailing at the time for comparable loans to other borrowers. Borrowing from relatives is not subject to the above restrictions.

Subject to the limitations set forth herein and the Company's other policies, Directors and Employees are welcomed and encouraged to open the same kinds of accounts, and apply for the same types of loans and other financial products, as Lakeland offers to its other customers.

In accordance with the restrictions set forth in Lakeland's Loan Policies and Procedures, as amended from time to time, all applications for loans to officers, other than Executive Officers, must be submitted to the Chief Loan Officer for review and recommendation and approval up to her or his individual lending authority. Additionally, any loan made to a Lending Officer, or such Lending Officer's relative (no matter how distant) must be assigned to the Chief Loan Officer. Loans to the Chief Loan Officer, or relative, must be assigned to the CEO or his designee.

All applications for loans to Employees must be submitted by the Employee's supervisor to the respective Loan Department Head. The application should include the supervisor's recommendation for approval.

Borrowing by Executive Officers must be approved in advance by the Board of Directors of the lending subsidiary. Applications, financial statements and other documents, which apply to any other borrower, must accompany all requests. These loans are subject to Regulation O.

No Insider shall receive (or knowingly permit any of that Person's Related Interests or Immediate Family to receive), directly or indirectly, any extension of credit not authorized by Insider lending rules. Note that Regulation O excludes certain insider obligations to a bank from what would otherwise fall within the definition of extension of credit. The two principal exceptions are an indebtedness of \$15,000 or less as an open end credit card or credit line and indebtedness of \$5,000 or less as an interest bearing overdraft credit plan or line.) All such loans must be at the terms and conditions comparable to those prevailing for the public at large. (Refer to Policy C-24, "Regulation O.")

As a condition of employment, the Board of Directors may require a current financial statement and/or a credit report of any Officer at any time.

VI. RELATIONSHIPS WITH COMPETITORS

In providing its full range of financial services, the Company engages in vigorous, yet fair and open, competition. All Directors and Employees are expected to observe the highest standards of ethical conduct in relationships with competitors. It is the Company's policy to emphasize the quality and competence of services and Employees rather than to criticize those of competitors.

Directors and Employees are prohibited from entering into arrangements with competitors for the propose of setting or controlling prices, rates, trade practices and marketing policies, and from disclosing to competitors confidential and proprietary information or future plans of the Company which have not been disclosed generally to the public.

VII. CONDUCT OF PERSONAL FINANCE

Each Director and Employee will be expected to monitor his/her personal conduct and finances in a prudent manner so as not to bring discredit to themselves or the Company. For example, by avoiding any circumstances that may lead to over extension of credit or salary attachments or drawing checks against insufficient funds or other financially imprudent or embarrassing situations.

A. Overdrafts

1. Directors and Executive Officers.

As noted above, Regulation O imposes additional restrictions on overdrafts involving Directors and Executive Officers beyond those imposed by Lakeland's policies covering Employee Overdrafts.

The Company's Executive Officers include:

Thomas Shara, President and Chief Executive Officer
Robert Vandenberg, Senior Executive Vice President – Chief Operating Officer
Jeffrey Buonforte, Executive Vice President – Chief Retail Officer
Joseph Hurley, Executive Vice President and Chief Financial Officer
Louis Luddecke, Executive Vice President – Chief Operations Officer
James Noonan, Executive Vice President – Chief Credit Officer
David Yanagisawa, Executive Vice President – Chief Loan Officer
Timothy Matteson, Senior Vice President – General Counsel

Lakeland is prohibited from paying an overdraft of any Executive Officer or Director except: (1) when payment is made pursuant to a written pre-authorized overdraft checking agreement or a transfer agreement for funds to be transferred from another account maintained at Lakeland, or (2) for the payment of inadvertent overdrafts on an account totaling \$1,000 or less, as long as the account is not overdrawn for more than five (5) business days and provided the same fees are charged to that Executive Officer or Director as any other customer of Lakeland in similar circumstances. This restriction does not apply to principal shareholders or related interests of any insider. Please refer to the Lakeland's Overdraft Policy for monitoring and approval procedures.

2. Employee Overdrafts.

With regard to employee overdrafts, each Employee has the opportunity to maintain a checking account with Lakeland for the deposit of payroll proceeds, which account may be closed in the discretion of Lakeland. In accordance with this Code, Employees are expected to manage their finances, and their accounts with Lakeland, in a fiscally responsible manner. Gross mismanagement of employee deposit accounts may be grounds for closing the account and possible sanctions, including termination. Please refer Lakeland's Overdraft Policy for monitoring and approval procedures.

VIII. VACATION POLICY

It is the policy of the Company that every Employee be absent from his or her duties for an uninterrupted period of not less than two consecutive weeks each calendar year. This includes being away from the office physically and via computer link, including evenings, weekends and holidays, during that period. Exception to this policy must:

- be made in writing;
- indicate proposed "compensating controls" (*e.g.* rotation of duties, two week requirement met outside of vacation time, *etc.*); and
- include the signed approvals of the Employee's supervisor and senior supervisor.

The supervisor will send a written request for the vacation exception to the Vice President of Human Resources and the Senior Vice President of Internal Audit. Approval may be granted by the Vice President of Human Resources after the Internal Auditor agrees that the compensating controls are adequate.

IX. WORKPLACE HARASSMENT POLICY

A. Company Policy.

The Company provides equal employment opportunities for all applicants and Employees. In keeping with this policy we believe that everyone has the right to work in an environment free from all forms of harassment, discrimination or disrespectful conduct, including freedom from sexual harassment.

It is the responsibility of all managers, supervisors, Officers and Employees to create a work environment where sexual harassment will not interfere with the integrity of the work place. The Company will not tolerate sexual harassment of Employees or applicants by fellow Employees, supervisors, clients or vendors.

Some examples of sexual harassment are:

Unwelcome or unwanted sexual advances, such as: patting, pinching, brushing up against, brushing, cornering, kissing, fondling or any other similar physical contact considered unacceptable by another individual.

Requests or demands for sexual favors, such as: subtle or blatant expectations, pressures or requests for any type of sexual favor accompanied by an implied or stated promise of preferential treatment or negative consequences concerning one's employment.

Verbal abuse or kidding that is sex-oriented and considered unacceptable by another individual such as: comments about an individual's body or appearance (where such comments go beyond a mere compliment), telling off-color jokes or showing sexually oriented cartoons or offensive pictures that are clearly unwanted or considered offensive by others or any other tasteless, sexually oriented or flirtatious comments, innuendos or actions that offend others.

Creating a work environment that is intimidating, hostile or offensive due to unwelcome or unwanted sexually oriented conversation, suggestions, advances, requests, demand for physical contact, flirtations or attention.

Any and all incidents of alleged harassment must be reported to the Vice President of Human Resources. All complaints will be investigated and the company will take all appropriate and immediate steps necessary to correct the situation. Disciplinary actions up to and including

termination may be taken where violations are founded to have occurred. All reports of the investigation will be held in strict confidence.

B. Problem Resolution.

Step 1: The Employee should discuss the issue with their supervisor or contact the Vice President of Human Resources.

Step 2: It is the responsibility of a supervisor or manager to report any complaint to the Vice President of Human Resources immediately.

Step 3: The Vice President of Human Resources will confer with the CEO, an Executive Officer or the Company's legal counsel and investigate all complaints. As and where possible, all accumulated data will be held in strict confidence.

Step 4: The Vice President of Human Resources, together with the CEO, will report to the Board of Directors, if warranted. A decision will be rendered and all appropriate and immediate steps will be taken to resolve the situation. All involved parties will be informed of the resolution of the matter in a timely manner.

X. EQUAL EMPLOYMENT OPPORTUNITY POLICY STATEMENT

A. Company Policy.

The Company reaffirms its policy of equal employment opportunities for all qualified individuals without discrimination because of race, color, religion, gender, gender identity or expression, age, national origin, marital, civil union or domestic partnership status, sexual or affectional orientation, disability, veteran status or other basis prohibited by law. Underscoring this policy is the Company's strong concern for each Employee's dignity and well-being and its commitment to provide for a safe, productive and professional work environment.

B. Scope.

Every effort is made to assure that the Company's policies regarding hiring, salary administration, promotion and transfer are based solely on job requirements, job performance and job related criteria. In addition, our personnel policies and practices – including those relating to compensation, benefits, transfer, retention, termination, training, self development opportunities, as well as social and recreational programs – are administered without discrimination on the basis of race, color, religion, gender, gender identity or expression, age, national origin, marital, civil union or domestic partnership status, sexual or affectional orientation, disability, veteran status or other basis prohibited by law.

C. Application and Responsibilities.

The Company's continued success in affirmative action depends in large measure not only on the commitment and involvement of those directly responsible for the program's implementation but also on the dedication of all Employees. Assuring equal employment opportunity is a fundamental and direct responsibility of all levels of management. Managers and department heads are required to comply with government regulations and also the affirmative action goals of the Company.

The following practices and conditions will prevail to underscore our commitment.

- The Human Resources Department, in conjunction with each manager and department head, specifically will be responsible for making sure that those in positions to influence employment and personnel decisions are aware of, and comply with, the policy and goals.
- In order to maintain a work environment which does not permit conduct that abuses the dignity of any individual through ethnic, sexual, racial, or other discriminatory forms of harassment, incidents will be dealt with promptly and disciplinary action will be taken as necessary, up to and including termination. The Workplace Harassment Policy is set forth in Section IX of the Code.
- Various recruitment sources will be utilized to broaden the consideration of qualified applicants from all segments of the community.
- Reasonable accommodations will be made for disabled employees or applicants and for each Employee's religious observance as permitted by sound business practices.
- Formal action programs established to comply with applicable equal opportunity laws and regulations will be continued.

**Conscientious Employee Protection Act
“Whistleblower Act”**

Employer retaliatory action; protected employee actions; employee responsibilities

1. New Jersey law prohibits an employer from taking any retaliatory action against an employee because the employee does any of the following:
 - a. Discloses, or threatens to disclose, to a supervisor or to a public body an activity, policy or practice of the employer or another employer, with whom there is a business relationship, that the employee reasonably believes is in violation of a law, or a rule or regulation issued under the law, or, in the case of an employee who is a licensed or certified health care professional, reasonably believes constitutes improper quality of patient care;
 - b. Provides information to, or testifies before, any public body conducting an investigation, hearing or inquiry into any violation of law, or a rule or regulation issued under the law by the employer or another employer, with whom there is a business relationship, or, in the case of an employee who is a licensed or certified health care professional, provides information to, or testifies before, any public body conducting an investigation, hearing or inquiry into quality of patient care; or
 - c. Provides information involving deception of, or misrepresentation to, any shareholder, investor, client, patient, customer, employee, former employee, retiree or pensioner of the employer or any governmental entity.
 - d. Provides information regarding any perceived criminal or fraudulent activity, policy or practice of deception or misrepresentation which the employee reasonably believes may defraud any shareholder, investor, client, patient, customer, employee, former employee, retiree or pensioner of the employer or any governmental entity.
 - e. Objects to, or refuses to participate in, any activity, policy or practice which the employee reasonably believes:
 - (1) is in violation of a law, or a rule or regulation issued under the law or, if the employee is a licensed or certified health care professional, constitutes improper quality of patient care;
 - (2) is fraudulent or criminal; or
 - (3) is incompatible with a clear mandate of public policy concerning the public health, safety or welfare or protection of the environment. N.J.S.A. 34:19-3.
2. The protection against retaliation, when a disclosure is made to a public body, does not apply unless the employee has brought the activity, policy or practice to the attention of a supervisor of the employee by written notice and given the employer a reasonable opportunity to correct the activity, policy or practice. However, disclosure is not required where the employee reasonably believes that the activity, policy or practice is known to one or more supervisors of the employer or where the employee fears physical harm as a result of the disclosure, provided that the situation is emergency in nature.

CONTACT INFORMATION

Your employer has designated the following contact person to receive written notifications, pursuant to paragraph 2 above (N.J.S.A. 34:19-4):

Name: Internal Audit Department of Lakeland Bancorp, Inc.
Address: P.O. Box 146, Oak Ridge, NJ 07438
Telephone Number: (973) 383-5405

This notice must be conspicuously displayed.

La Ley de protección al empleado consciente
“Ley de protección de denunciante”

Acciones de represalia del empleador; protección de las acciones del empleado

1. La ley de New Jersey prohíbe que los empleadores tomen medidas de represalia contra todo empleado que haga lo siguiente:
 - a. Divulgue o amenace con divulgar, ya sea a un supervisor o a una agencia pública toda actividad, directriz o norma del empleador o de cualquier otro empleador con el que exista una relación de negocios y que el empleado tiene motivos fundados para pensar que violan alguna ley, o en el caso de un trabajador licenciado o certificado de la salud y que tiene motivos fundados para pensar que se trata de una manera inadecuada de atención al paciente;
 - b. Facilite información o preste testimonio ante cualquier agencia pública que conduzca una investigación, audiencia o indagación sobre la violación de alguna ley, regla o reglamento que el empleador o algún otro empleador con el que exista una relación de negocios; o en el caso de un trabajador licenciado o certificado de la salud que facilite información o preste testimonio ante cualquier agencia pública que conduzca una investigación, audiencia o indagación sobre la calidad de la atención al paciente; o
 - c. Ofrece información concerniente al engaño o la tergiversación con accionistas, inversionistas, usuarios, pacientes, clientes, empleados, ex empleados, retirados o pensionados del empleador o de cualquier agencia gubernamental.
 - d. Ofrece información con respecto a toda actividad que se pueda percibir como delictiva o fraudulenta, toda directiva o práctica engañosa o de tergiversación que el empleado tenga motivos fundados para pensar que pudieran estafar a accionistas, inversionistas, usuarios, pacientes, clientes, empleados, ex empleados, retirados o pensionados del empleador o de cualquier agencia gubernamental.
 - e. Se opone o se niega a participar en alguna actividad, directriz o práctica que el empleado tiene motivos fundados para pensar que:
 - (1) viola alguna ley, o regla o reglamento que dicta la ley o en el caso de un empleado licenciado o certificado en cuidado de la salud que tiene motivos fundados para pensar que constituya atención inadecuada al paciente;
 - (2) es fraudulenta o delictiva; o
 - (3) es incompatible con algún mandato establecido por las directrices públicas relacionadas con la salud pública, la seguridad o el bienestar o la protección del medio ambiente. Artículo 34:19-3 de las Leyes comentadas de New Jersey de protección del empleado consciente (N.J.S.A., por sus siglas en inglés)
2. No se puede acoger a la protección contra la represalia, cuando se hace una divulgación a un organismo público, a no ser que el empleado le informe al empleador de tal actividad, política o norma a través de un aviso por escrito y le haya dado al empleador una oportunidad razonable para corregir tal actividad, política o norma. Sin embargo, no es necesaria la divulgación en los casos en que el empleado tenga indicios razonables para creer que un supervisor o más de un supervisor del empleador tienen conocimiento de tal actividad, política o norma o en los casos en los que el empleado teme que tal divulgación pueda traer como consecuencia daños físicos a su persona siempre y cuando la naturaleza de la situación sea la de una situación de emergencia.

INFORMACIÓN DEL CONTACTO

Su empleador ha designado a la siguiente persona para recibir notificaciones de acuerdo al parafó 2, de la ley (N.J.S.A. 34:19-4):

Nombre: Internal Audit Department of Lakeland Bancorp, Inc.
Dirección: P.O. Box 146, Oak Ridge, NJ 07438
Número de teléfono: (973) 383-5405

Este aviso se debe exponer a la vista de todos.

ACKNOWLEDGMENT & AGREEMENT OF COMPLIANCE FORM

- **CODE OF ETHICS**
- **ELECTRONIC MAIL POLICY**
- **EMPLOYEE GUIDE TO INFORMATION SECURITY**
- **INTERNET USE POLICY**
- **MICROCOMPUTER POLICY**

I, the undersigned, hereby acknowledge that I have reviewed and understand the above-listed policies of the Company, their contents and amendments thereto and what they require of me as a Director, Officer, or Employee of Company or its Subsidiaries. I understand that a violation of the above-listed policies may result in sanctions against me, including discipline, suspension, discharge and termination.

I certify that I am complying with all provision of the Code, and that I am not aware of any violations of the Code, except as noted below:

I understand that if I become aware of any violations of the Code, I must report such violations.

Further, I hereby certify that by signing below, I agree to comply in good faith with the provisions and the spirit of the above-listed policies.

Signature of Director, Officer or Employee

Date

Print Name

***PLEASE SIGN, DATE AND RETURN YOUR COMPLETED FORM TO THE HUMAN
RESOURCES DEPARTMENT***